SHERWIN-WILLIAMS®

Building on the Good

2021 SUSTAINABILITY REPORT

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FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

This 2021 Sustainability Report contains certain "forward-looking statements," as defined under U.S. federal securities laws. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "target," "potential," "seek," "intend," "aspire" or "anticipate" or the negative thereof or comparable terminology. These forward-looking statements include, but are not limited to, the goals, targets and commitments presented in this 2021 Sustainability Report, and are based upon current expectations, predictions, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements and from the Company's historical performance, results and experience. These risks, uncertainties and other factors include such things as: with respect to our ability to successfully meet our goals, targets and commitments presented in this 2021 Sustainability Report, including within the expected timeframe, changes in laws, regulations, prevailing standards or public policy, the alignment of the scientific community on measurement and reporting approaches, the complexity of commodity supply chains and the evolution of and adoption of new technology, including traceability practices, tools and processes; general business and economic conditions; the Company's ability to successfully integrate past and future acquisitions into its existing operations, as well as the performance of the businesses acquired; strengths of retail and manufacturing economies and the growth in the coatings industry; changes in the Company's relationships with customers and suppliers; changes in raw material availability and pricing; adverse weather conditions or impacts of climate change, natural disasters and public health crises, including the COVID-19 pandemic; the duration, severity and scope of the COVID-19 pandemic and the actions implemented by international, federal, state and local public health and governmental authorities to contain and combat COVID-19, which may exacerbate one or more of the aforementioned and/or other risks, uncertainties and factors more fully described in the Company's reports filed with the Securities and Exchange Commission (SEC); and other risks, uncertainties and factors described from time to time in the Company's reports filed with the SEC. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This 2021 Sustainability Report does not cover all information about our business. The inclusion of information or references in this report, including the use of "materiality" or similar terms, should not be construed as a characterization regarding the materiality of such information to our business or financial results or that such information is necessarily material to investors or other stakeholders for purposes of U.S. federal securities laws.

The goals, targets and commitments presented in this 2021 Sustainability Report are aspirational and not guarantees or promises that such goals, targets or commitments will be achieved. In addition, historical, current and forward-looking information included in this 2021 Sustainability Report may be based on standards and practices for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change. Accordingly, such historical, current and forward-looking information or underlying assumptions may be subject to modifications in future reports due to such developing standards, practices and controls and processes.

Certain sustainability- and ESG-related historical data for dates and periods prior to 2021 presented, discussed, referenced or otherwise included in this 2021 Sustainability Report has been revised to reflect updates made as a result of our internal review processes and developing standards, practices, and controls and processes.

Readers are cautioned not to place undue reliance on any such information set forth in this 2021 Sustainability Report.

Thank you for your interest in the Sherwin-Williams 2021 Sustainability Report. This report reflects the continued progress of our sustainability journey and provides an overview of our sustainability commitments, goals and aspirations under the framework of Environmental Footprint, Product Blueprint and Social Imprint. It provides our enterprise-wide approach to sustainability and the commitments we are making for reducing our environmental footprint and ***Building on the Good*** for our stakeholders – our employees, customers, shareholders and the communities where we operate. This report covers the 2021 calendar year, except where noted.

The content of this report is influenced by the results of our materiality assessment to help ensure our sustainability strategies incorporate topics that are applicable to our Company and important to stakeholders. We have also referenced established sustainability and environmental, social and governance (ESG) reporting frameworks, ratings and rankings – such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). Our SASB Index, TCFD Disclosure and Investor ESG Summary are included later in this report and you can view all our sustainability materials at sustainability.sherwin-williams.com.

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To Our Stakeholders

At Sherwin-Williams, corporate responsibility and sustainability are central to how we do business. We demonstrate our ongoing commitment to our employees, customers, communities, shareholders and other stakeholders through our continued efforts to develop and implement comprehensive policies, goals and programs in pursuit of our environmental, social and governance (ESG) objectives. We are ***Building on the Good***.

2021 Milestones

2021 marked a significant milestone as we announced an integrated framework for our sustainability strategy built around our three ESG pillars – **Environmental Footprint**, **Product Blueprint** and **Social Imprint** – and centered on a strong foundation of Governance and Ethics. Within these pillars, we unveiled new goals to guide our efforts to address climate change, expand our portfolio of "sustainably advantaged products," and make our Company a safe, more inclusive place to work.

Our 2021 Sustainability Report reflects the progress we have made in pursuit of our goals and outlines the steps we are taking that reflect our commitment to continuous improvement in everything we do. For the first time, we are utilizing the Task Force on Climate-related Financial Disclosures (TCFD) framework to report on our climate-related risks and opportunities. Utilizing the TCFD framework supports our efforts to enhance our environmental reporting and internal processes and initiatives, address investor and stakeholder expectations, and be a leader in using ESG disclosure best practices.

We also formalized our approach to integrating sustainability into our innovation and product development processes by rolling out our Sustainability by Design program across the enterprise in 2021. Through the implementation of the Sustainability by Design program, we are enhancing the sustainability profile of our paint and coatings, while meeting the strict performance criteria expected of our industry-leading products.

We have advanced our commitment to foster a culture that promotes the unique contributions of our employees – empowering our people and Company to reach our full potential, while embracing and celebrating our differences. We also continued to give back to the communities where we live and work – a proud part of our Company legacy.

Demonstrating Excellence in the Face of Obstacles

This past year continued to present unique and unprecedented challenges across our global footprint. Despite significant and industry-wide raw material shortages, high cost inflation, ongoing challenges of the COVID-19 pandemic and worldwide impacts of the conflict between Russia and Ukraine that have emerged since early 2022, our team continues to respond with powerful resiliency.

We challenged ourselves to be a more innovative, solutions-driven business. By continuing to develop our suite of products, listen to our customers, focus on differentiated distribution channels and explore ways to reduce future supply risk, we are well positioned for future success. As a result of the dedication, professionalism and determination of our more than 61,000 employees, we protected the health of each other and the Company, while continuing to operate in line with our sustainability objectives.

A Commitment to Progress

Our stakeholders serve as a compass guiding our sustainability initiatives. Thank you for your interest in and support of our efforts to create value, be a responsible corporate citizen and remain a global leader in working to protect and preserve the communities in which we live and work.

We are committed to ***Building on the Good*** that we have already accomplished and to charting a path for a brighter, more sustainable future. We welcome the opportunity to share our progress with you in our 2021 Sustainability Report and beyond.

John G. Morikis
Chairman and Chief Executive Officer

About the Company

Founded in 1866 by Henry Sherwin and Edward Williams, The Sherwin-Williams Company (NYSE: SHW) has spent more than 155 years creating a legacy of growth, creativity and innovation to meet the needs of our growing customer base and dedicated workforce.

Today, we are a global leader in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers.

Every day, our 61,000+ employees provide the energy and experience to build on our track record of success – enabling us to innovate and grow in new and exciting ways. With our people as the foundation of our Company, we offer industry-leading innovation, value-added service and expertise, and differentiated distribution.

With global headquarters in Cleveland, Ohio, Sherwin-Williams® branded products are sold exclusively through a chain of more than 4,800 Company-operated stores and more than 200 branches in the United States, Canada, the Caribbean and Latin America. Additional brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers and industrial distributors across North America and in parts of Europe and China. We also supply a broad range of highly engineered solutions for the construction, industrial, packaging and transportation markets in more than 120 countries around the world.

Corporate Purpose

We inspire and improve the world by coloring and protecting what matters.

At The Sherwin-Williams Company, we fulfill our purpose through the development, manufacture, distribution and sale of innovative paint and coatings products, striving to deliver benefits for all major stakeholders. **Employees** participate in an inclusive and diverse environment that provides extensive opportunities for professional development and personal wealth-building. **Customers** benefit from a solutions-driven approach emphasizing application-specific expertise, industry-leading innovation, value-added service and differentiated distribution. **Communities** where we operate prosper through job creation, direct financial support, in-kind gifts, employee volunteerism and civic engagement. **Shareholders** can expect a deep and experienced management team focused on long-term value creation through sales growth, return on sales, return on net assets employed and cash generation. Sustainability is embedded within our corporate purpose, with a focus on our Environmental Footprint, our Product Blueprint and our Social Imprint. Our integrated approach to the stakeholders we serve seeks to inspire and improve society as a whole.

Our Values

- Integrity
- People
- Service
- Quality
- Performance
- Innovation
- Growth

Our Business Segments

Sherwin-Williams is comprised of three reportable segments, which provide customers with innovative solutions to ensure their success:

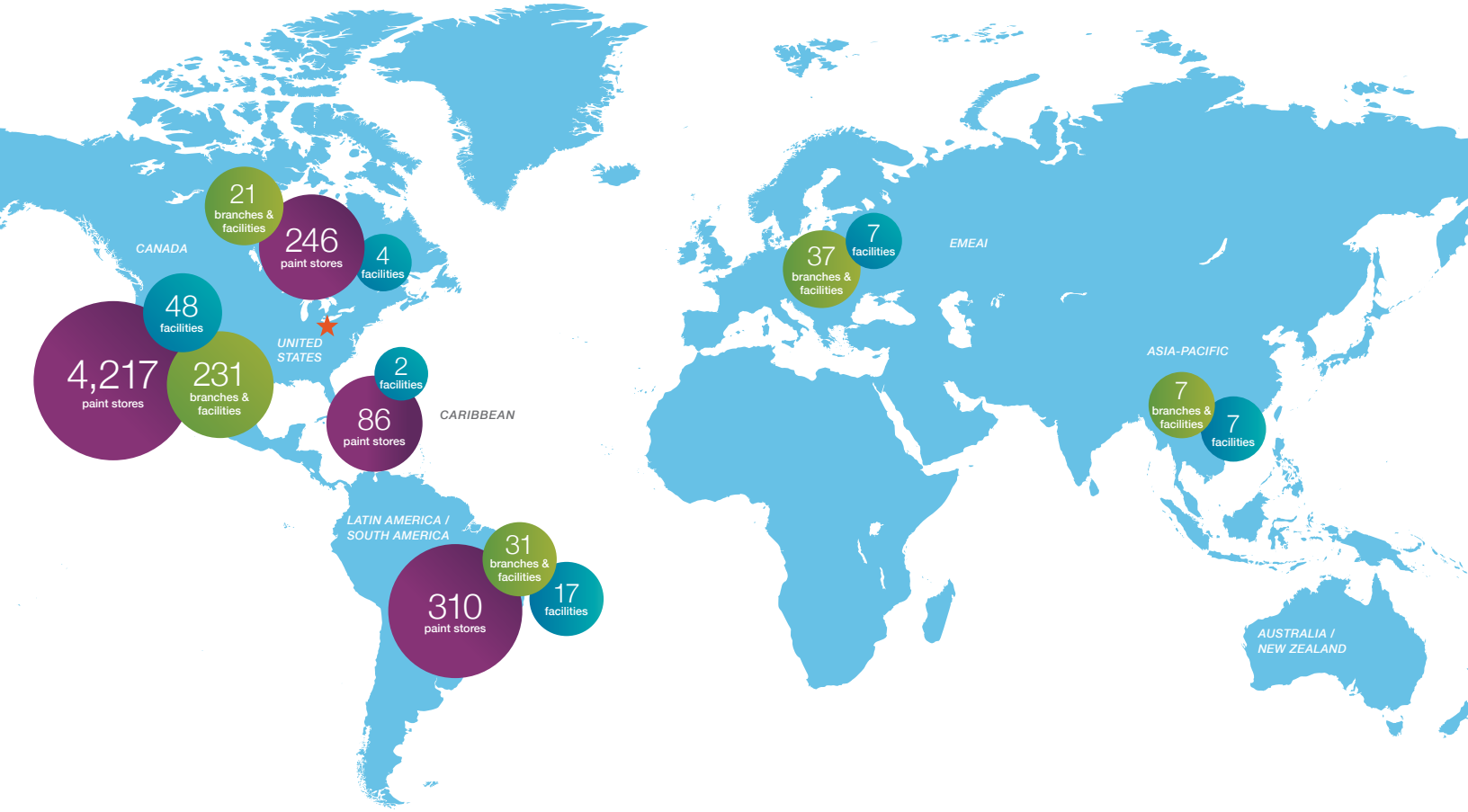
› **The Americas Group** operates the exclusive outlets for Sherwin-Williams® branded paints, stains, supplies, equipment and floor covering in the United States, Canada and the Caribbean. The Group also manufactures and sells architectural paints, industrial coatings and related products in Latin America through Company stores, dedicated dealers and selected retailers.

› **Consumer Brands Group** offers one of the industry's most recognized portfolios of branded and private-label products through retailers across North America and in parts of Europe and China. The Group also operates a highly efficient global supply chain for paint, coatings and related products.

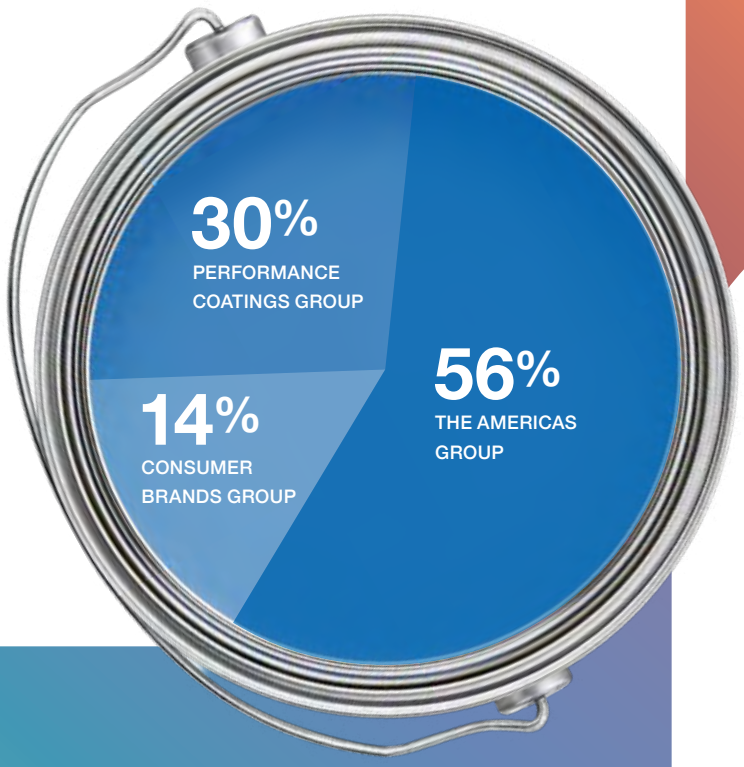
› **Performance Coatings Group** provides a broad range of coatings and finishing solutions to general industrial, industrial wood, protective and marine, automotive refinish, packaging and coil customers in more than 120 countries.

Our Global Reach

● The Americas Group ● Consumer Brands Group ● Performance Coatings Group ★ Corporate headquarters



2021 REVENUES **$19.94 billion**



NUMBER OF EMPLOYEES **61,000+**

120+ COUNTRIES

132 MANUFACTURING & DISTRIBUTION FACILITIES

4,850+ STORES

Awards and Accolades in 2021

Year after year, Sherwin-Williams continues to be recognized for its global leadership, and 2021 was no exception. Sustainability is not just an area of focus, it is ingrained in our culture. Sherwin-Williams is proud to be a supportive, forward-thinking partner not just in the paint and coatings industry, but also in the communities where we operate.

Product Blueprint

- FacilitiesNet®: Vision Award Winner, Interiors – SuperPaint® with Air Purifying Technology
- Metropolis®: Planet Positive Awards – Living Well™ Collection
- Association for Materials Protection and Performance®: Eric S. Cline Award – Zinc Clad® 4100 and Envirolastic® Polyaspartic Urethane
- Association for Materials Protection and Performance®: George Campbell Award – Zinc Clad® III HS, Macropoxy® 646 Fast Cure, Acrolon™ 218 HS
- PaintSquare®: Elevation Award – Resuflor™ Terrazzo TG
- The Queen's Award for Enterprise Magazine: Innovation – FIRETEX® FX6002

Governance and Ethics

- Forbes®: Green Growth 50 – #21
- Investor's Business Daily®: 100 Best ESG Companies
- Newsweek®: America's Most Responsible Companies
- The Wall Street Journal®: 250 Best Managed Companies of 2021
- Yahoo! Finance®: 7 Best ESG Stocks
- BMO®: Best-in-Class for ESG
- MSCI®: ESG Rating improved from 'BBB' to 'A'
- Transport Topics®: 100 Largest Private Carriers in North America

Social Imprint

- Forbes®: World's Best Employer
- Forbes®: America's Best Employers for Diversity
- Forbes®: America's Best Employers for Women
- Forbes®: America's Best Employers for Veterans
- Forbes®: America's Best Employers for New Graduates
- Forbes®: America's Best-In-State Employers
- The Cleveland Plain Dealer®: Northeast Ohio Top Workplaces

Our Sustainability Strategy

The Sherwin-Williams culture is built on trust, respect, execution and inclusion, which guide our commitment to take care of our customers, respect our employees and the environment, and support the communities in which we live and work. Sustainability is rooted in our values and our way of doing business. We embrace an enterprise-wide approach to sustainability – striving to integrate it into every Sherwin-Williams business, region and function worldwide, and embedding it in our product innovation and development processes and in product delivery to our valued customers.

In 2019, we conducted a robust materiality assessment to identify, prioritize and validate the sustainability and ESG topics applicable to our businesses and important to our stakeholders. The following top-tier focus areas identified through that assessment have been incorporated into our sustainability framework – Climate and Carbon; Product Stewardship; Life Cycle Assessment; Occupational Health and Safety; Talent Acquisition; and Employee Engagement. Learn more about our materiality assessment at sustainability.sherwin-williams.com.

We look forward to the work ahead and our next achievements. In 2021, we set ambitious, meaningful goals and aspirations and enhanced our strategy with a strong focus on three pillars: Environmental Footprint, Product Blueprint and Social Imprint. These pillars sit on a foundation of Governance and Ethics, designed to ensure broad engagement and appropriate oversight for sustainability and ESG initiatives throughout the Company.

Environmental Footprint

Our 2030 Goals

Doing Our Part for the Planet: Sherwin-Williams is committed to reducing our environmental footprint. We apply a continuous improvement approach to reducing our carbon emissions, energy use and waste generation while expanding our renewable energy use and recycling methods. Our 2030 Environmental Footprint goals* include:

- Reduce absolute Scope 1 and 2 greenhouse gas emissions by **30%**
- Increase electricity from renewable sources to **50%** of total electricity usage
- Increase operational energy efficiency by **20%**
- Reduce waste disposal intensity by **25%**

** 2019 is the baseline year*

Product Blueprint

Our Product Development Philosophy

Driving Sustainability Through Innovation: Under the Sustainability by Design program, we formalized our approach to integrating sustainability into our innovation and product development processes. We have also worked to further define and extend our portfolio of "sustainably advantaged products." Through life cycle thinking and a strong commitment to product stewardship, we continue to provide world-class products in a safe and responsible manner. 2021 marked a significant year as indicated by the progress below:

Implemented Sustainability by Design program across the enterprise, serving as our proactive, foundational process to aid the growth of our "sustainably advantaged products" portfolio

Established a baseline for "sustainably advantaged products" and developed a plan for expanding this product portfolio in the future

Developed a structured process for measuring and assessing Scope 3 emissions

Social Imprint

Our Commitment to People and Communities

Elevating a Culture of Safety, Inclusion and Community: We are committed to the safety of our global employee base and to fostering a culture of inclusion where differences are welcomed, celebrated and appreciated to positively impact our people and business. Our culture and commitment to our people and inclusion, diversity and equity (ID&E) are important factors in driving employee engagement and attracting, retaining, developing and progressing a diverse pipeline of talent. We also care deeply about supporting and being active in the communities in which we live and work. Our goals and aspirations include:

Reduce recordable case rate to **0.8** by 2025, compared with **1.06** in 2020*

Reduce ergonomic injuries by implementing two ergonomic interventions per year in each manufacturing site

Increase women in management roles to **30%** by 2025, compared with **26%** in 2020*

Increase underrepresented racial/ethnic groups in U.S. management roles to **30%** by 2025, compared with **26%** in 2020*

Achieve and improve upon a favorable score on the Sherwin-Williams Inclusion Index, based on results of our global employee engagement survey

Foster economic inclusion for underrepresented suppliers

** 2020 is the baseline year*

Governance and Ethics

Our sustainability and environmental, social and governance (ESG) framework is centered on a strong foundation of governance and ethics, with our governance structure designed to ensure broad engagement and appropriate oversight across the organization.

IN THIS SECTION:

Sound Corporate Governance Practices

Board Composition and Diversity

Our Responsible Compensation Practices

Board Oversight

ESG and Sustainability Governance

Ethics, Integrity and Compliance

FOR MORE INFORMATION

Additional information about our board and committees can be found in our Corporate Governance documents and Committee Charters, 2022 Proxy Statement and other materials at **investors.sherwin-williams.com**.

Sound Corporate Governance Practices

Our corporate governance practices are designed to enable our Board of Directors to set objectives and monitor performance and to strengthen the accountability of the board and management. We actively monitor our corporate governance practices to ensure we continue to manage our business in accordance with high standards of ethics, business integrity and corporate governance. The following table highlights some of our corporate governance practices and policies.

Corporate Governance Practices and Policies

Annual election of all directors	Mandatory retirement age of 72 for directors
Majority voting standard and resignation policy for directors in uncontested elections	Orientation program for new directors
Director overboarding policy	Annual board and committee self-assessments
Proxy access rights available to 3-year, 3% shareholders, for up to 20% of board	Executive sessions of independent directors are held with each regularly scheduled board meeting
10 of 11 directors are independent	Directors have complete access to management
Robust independent lead director role and governance responsibilities	Prohibition on hedging and pledging of our securities
Board committees are entirely composed of independent directors	Significant director and executive stock ownership guidelines
Board oversight of risk management	Policy to include women and racially or ethnically diverse persons in the pool of candidates from which director nominees are chosen
Board and committee oversight of key sustainability and ESG policies and strategies	Director matrix that includes consideration of self-identified diversity characteristics, such as gender, race and ethnicity

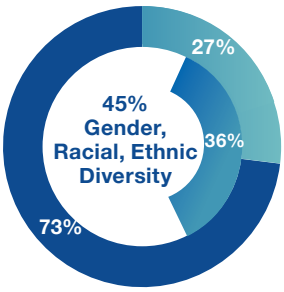
Source: 2022 Proxy Statement

Board Composition and Diversity

Our board believes our directors should have a diverse mix of experiences, qualifications, attributes and skills that enables the board to provide effective oversight of our management and business. The Sherwin-Williams board uses a thoughtful approach to board composition to ensure a proper balance between the addition of new directors who bring fresh and diverse perspectives and the stability of the board as a whole. In 2021, the board adopted a policy to include, and to request that any search firm it engages include, women and racially or ethnically diverse persons in the pool of candidates from which potential directors are chosen. Our directors reflect the board's efforts and commitment to achieving diversity, including with respect to age, gender, race and ethnicity, and the need for periodic refreshment to maintain this commitment.

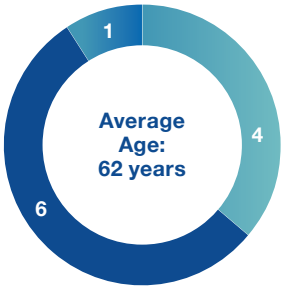
Board Composition and Skills Summary

Diversity*



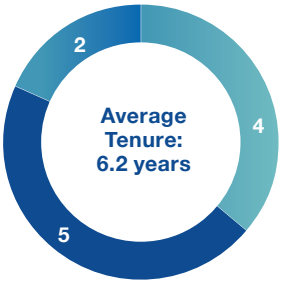
- Female
- Male
- Racial/Ethnic Diversity

Age



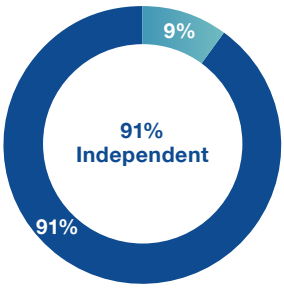
- ≤60 years
- 61-69 years
- 70+ years

Tenure



- ≤4 years
- 5-9 years
- 10+ years

Independence

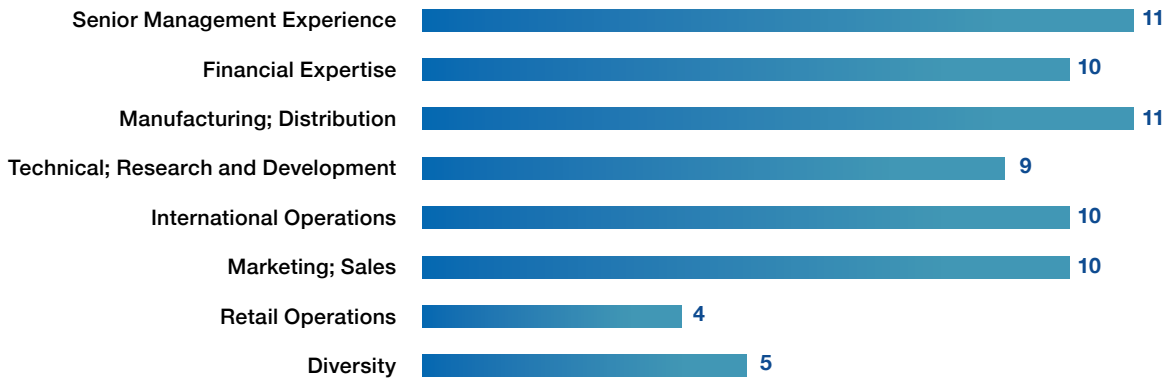


- Independent
- Non-Independent

* Based on directors' self-identified diversity characteristics

Source: 2022 Proxy Statement

Balanced Mix of Skills and Experience



Source: 2022 Proxy Statement

Our Responsible Compensation Practices

We design and manage our compensation programs to align with our overall business strategy and to focus our employees on delivering sustained financial and operating results. It is important that our compensation programs: (a) be competitive; (b) maintain a performance- and achievement-oriented culture; and (c) align the interests of our executives with those of our shareholders.

Our compensation programs, practices and policies demonstrate our commitment to responsible pay and governance principles.

We review and evaluate our compensation programs, practices and policies on an ongoing basis, and modify them to address evolving best practices, developments in and factors affecting our business, input from our shareholders, market compensation information and changing regulatory requirements. The following table highlights some of the more significant best practices we have adopted, and the practices we have avoided, to maintain our commitment.

Responsible Executive Compensation Practices

Annual say-on-pay vote	Clawback and recapture policy
Independent compensation committee	No excessive or unnecessary risk-taking in compensation policies
Independent compensation consultant	No excessive perks
Peer group benchmarking to median pay	No payment of dividend equivalents on unvested restricted stock units
Emphasis on performance-based pay	Double-trigger vesting of long-term equity incentive awards upon change in control
Responsibly administered incentive compensation programs	No repricing or replacing of underwater stock options without shareholder approval
Balanced compensation structure	No above-market earnings on deferred compensation
Diversified performance metrics tied to financial and operating performance	No employment agreements with named executives
Significant stock ownership guidelines for our directors and executives	

Source: 2022 Proxy Statement

Board Oversight

While our management and their teams are responsible for assessing and managing the Company's business, day-to-day affairs and exposure to various risks, our Board of Directors has responsibility for the oversight of management and various risks. Our board committees assist with this oversight responsibility by reviewing specific risk areas, including certain ESG and sustainability risks, and making regular reports to the board.

Our board committees are composed entirely of independent directors and include the Nominating and Corporate Governance Committee, Compensation and Management Development Committee, and Audit Committee.

Board and Committee Responsibilities

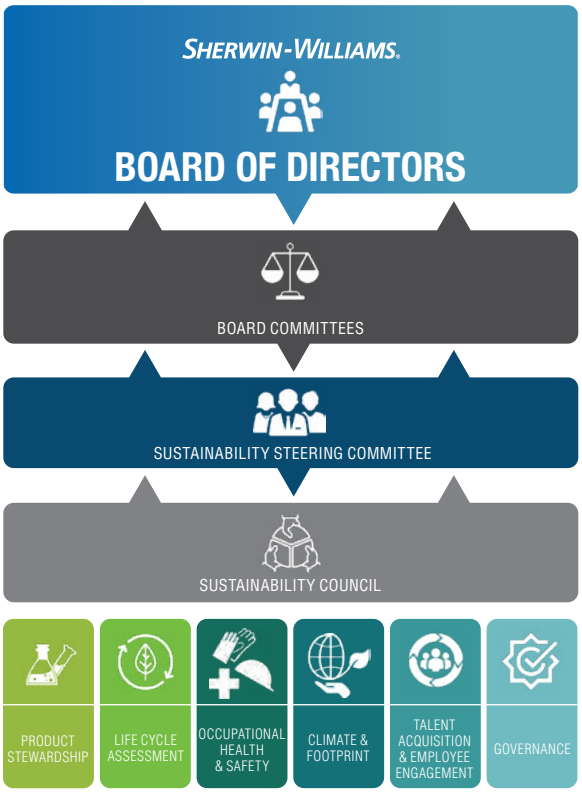
	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING COMMITTEE	FULL BOARD OF DIRECTORS
Enterprise Risk Management	●			●
Cybersecurity	●			●
Financial	●			●
COVID-19 Response	●	●		●
Compensation Policies and Practices		●		●
Management Development and Succession		●		●
Attraction, Retention and Development of Talent		●		●
Inclusion, Diversity and Equity		●		●
Board Succession			●	●
Corporate Governance			●	●
Environmental (including the impacts of climate change)			●	●
Health and Safety			●	●
Product Stewardship			●	●
Sustainability			●	●
Corporate Social Responsibility			●	●
Public Policy and Political Engagement				●

Source: 2022 Proxy Statement

ESG and Sustainability Governance

Our Sustainability Steering Committee seeks to ensure an enterprise-wide approach to developing and overseeing our ESG and sustainability strategies and initiatives, and to drive alignment across the organization to address emerging risks and opportunities. The committee includes members of senior management and other senior leaders across the organization, including those within the areas of Environmental, Health and Safety and Regulatory Affairs, Legal, Investor Relations, Finance, Corporate Communications, Human Resources, Global Supply Chain, Global Sustainability and Global Operations.

Our Sustainability Council consists of subject matter experts responsible for leading working groups that manage various ESG and sustainability initiatives, policies and programs. The council has six working groups to address the focus areas across our sustainability framework and our governance structure. The council focuses on deeper integration of sustainability and other ESG initiatives throughout the Company, the proactive identification of emerging ESG and sustainability trends and opportunities, and driving the Company's progress with respect to its sustainability initiatives, goals and aspirations. The council periodically reports on progress to the Sustainability Steering Committee, and members of the Steering Committee provide periodic updates to the board and its committees.



Ethics, Integrity and Compliance

We are dedicated to the highest standards of business ethics and integrity, and believe in aligning our business activities with our guiding values to maintain our foundation for continued growth as a leading global paint and coatings company. Our collective actions impact our reputation and credibility with our employees, customers, suppliers, communities and shareholders. We are committed to ensuring work-related activities reflect standards of integrity, loyalty, concern for others and accountability.

The Sherwin-Williams Code of Conduct serves as a guide for ethical decision-making and upholding the highest ethical behavior at all levels of the Company, including adhering to these tenets:

- Maintain high standards of integrity
- Win on our merits
- Be loyal to our Company and fellow employees
- Take responsibility
- Grow in character
- Treat others as you would like to be treated

Each year, we conduct global compliance training with our employees to help ensure that integrity guides our business every day, and in every decision we make. In addition, our Supplier Code of Conduct, applicable to all suppliers globally, requires that our business partners operate in a manner that is consistent with our values.

Sherwin-Williams values and respects the human rights of all people, including our employees and persons engaged with us – such as suppliers, vendors, subcontractors at all tiers and their employees. We are committed to working with our suppliers to ensure that human rights are respected and that no trafficking of persons, forced labor or child labor exists at any level in our supply chain. More information on our commitment is available in our Human Trafficking Policy.

As outlined in our Code of Conduct, we encourage employees to report potential policy or ethics violations and any type of harassment, threats or safety concerns to management or the Loss Prevention team, or anonymously using our EthicsPoint Reporting System. EthicsPoint is an independent, third-party incident management reporting provider that administers our ethics helpline and web portal.

Environmental Footprint

IN THIS SECTION:

Climate and Carbon

Energy Efficiency

Waste Reduction

EHS Governance and Strategy

Environmental Performance Data

At Sherwin-Williams, demonstrating environmental responsibility across our global operations is fundamental to our business. We are committed to decreasing our environmental footprint by reducing emissions and maintaining responsible consumption and production practices. Mitigating climate change is a central focus of our sustainability efforts, and our work to be an environmentally responsible corporate citizen reflects our commitment to advancing the interests of our stakeholders. We are dedicated to doing our part to reduce our impact on climate change.

We believe in measuring our progress and being accountable by setting goals to advance our objectives. We apply a continuous improvement approach to reducing our carbon emissions, energy use and waste generation, while expanding our sourcing of renewable energy and recycling methods. We recognize that while change takes time, gradual improvements will help us realize our objectives and make a lasting impact across our global operations.

Year after year, we challenge ourselves to optimize processes, institute new programs and retrofit existing facilities to reduce our environmental footprint.

Environmental Footprint

As determined by our materiality assessment, our Environmental Footprint is comprised of the following areas of focus: Climate and Carbon, Energy Efficiency and Waste Reduction. In 2021, we remained dedicated to reducing our environmental footprint in the near term, while laying a strong foundation for our longer-term environmental footprint reduction strategy. Our 2030 Environmental Footprint goals – which were designed to be science-based, realistic and achievable – provide quantitative targets that serve as the basis for all our environmentally focused sustainability strategies.

Our 2030 Environmental Footprint Reduction Goals

Sherwin-Williams 2030 goals span the priority areas of our Environmental Footprint. Rolled out in early 2021 and benchmarked against a 2019 baseline, these goals build on our past progress and demonstrate a significant evolution in our sustainability strategy and approach. We are committed to the following goals for 2030*:

Greenhouse Gas Emissions

Reduce absolute Scope 1 and 2 greenhouse gas emissions by **30%**

Renewable Energy

Increase electricity from renewable sources to **50%** of total electricity usage

Energy Efficiency

Increase operational energy efficiency by **20%**

Waste Reduction

Reduce waste disposal intensity by **25%**

** 2019 is the baseline year*

Climate and Carbon

Our Climate Strategy

Our climate strategy reflects our Company's comprehensive global effort to reduce our greenhouse gas (GHG) emissions. We strive to ensure our work in this area captures every part of our business – from transportation and materials sourcing to the products we manufacture and sell.

While it has long been a priority, our climate strategy has evolved over time. From 2009 to 2020, we focused our efforts on reducing our GHG emissions intensity, which is the rate of GHG emitted per 100 pounds of product produced. In 2021, we aligned our climate strategy to reflect a science-based targets approach influenced by the Paris Agreement and its goal to limit global warming to well below 2.0 degrees Celsius. Our 2030 goal of reducing our absolute Scope 1 and Scope 2 emissions by 30% compared with a 2019 baseline was developed on this basis. We determined tracking and weighing our absolute GHG emissions, rather than setting an intensity-based goal, better aligned with the global need for mitigating the physical amount of GHGs emitted into the atmosphere over time.

We are taking a comprehensive approach to achieve our 2030 goal, which includes, but is not limited to, virtual power purchase agreements, solar installations, introducing electric vehicles into our fleet and energy efficiency improvements in our operations.

We are aligning our climate-related analysis and reporting with the Task Force on Climate-related Financial Disclosures (TCFD) framework as part of our efforts to quantify our environmental footprint, assess our climate risk, demonstrate transparency and operate in alignment with recognized industry best practices.

This framework will continue to serve as a tool to help us further evaluate our climate-related risks and opportunities, while measuring our progress in line with global standards.

In addition, since 2006, Sherwin-Williams has voluntarily participated in CDP's Climate Change reporting initiative, which catalogs our climate change-related risks, opportunities, governance and communications as they relate to our carbon output.

SHERWIN-WILLIAMS PUBLISHES ITS FIRST TCFD DISCLOSURES

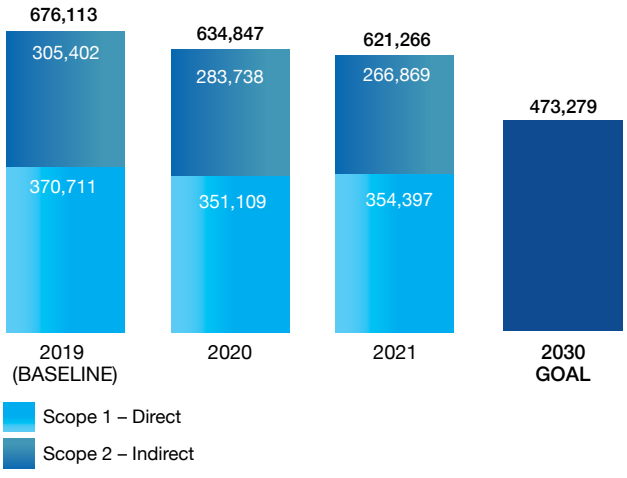
In 2022, we published our first disclosures that align with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our TCFD disclosures are included in the appendix of this report and posted separately on our website at sustainability.sherwin-williams.com. These disclosures reflect our current understanding of our risks and opportunities related to climate change. We value the information we have gleaned from the TCFD analysis and its influence in further developing our climate strategy and initiatives.

Carbon Emissions Performance

The chart below presents total carbon emissions for our global footprint. The decline in emissions from 2020 to 2021 was due to a combination of factors: the continued evolution of the energy grid toward greater use of renewable energy, ongoing energy efficiency initiatives in our facilities (including the installation of light-emitting diode [LED] lighting), and a 5.6% improvement in the fuel efficiency of our fleet vehicles. We remain committed to our 2030 goal to reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% compared with our 2019 baseline. For more information on our environmental data, see the Sherwin-Williams Investor ESG Summary in the appendix of this report and on our website at **sustainability.sherwin-williams.com**.

Total CO_2e Emissions

metric tons, all global locations



FEATURE STORY

Sherwin-Williams Drives Electric Vehicle Adoption

To continue building on our long-standing track record of fleet reliability, Sherwin-Williams developed a strategic pilot program to test the integration of electric vehicles (EVs) into our delivery and sales fleet. By the end of 2021, through a series of successful rollouts, the pilot program grew to include 22 vehicles with electric technology – with future expansion of EVs and hybrid technology on the horizon.

"The goal of the project is to prepare and test the technology," said Joseph Lukacs, Sherwin-Williams Global Director of Fleet Operations. "This will help us determine if utilizing EVs is feasible in both our passenger and delivery fleets, without impeding sales or service."

Lukacs and his team worked with suppliers to identify a series of EVs that would fit Company needs. "For example, one of our subcompact hatchback vehicles in the pilot program has a range of 240 miles and a payload capacity of 500 pounds," Lukacs explained. "This is perfect for handling smaller loads where space provides a challenge for the larger delivery vehicles – all while giving off zero emissions."

The Fleet Operations team plans to continue the momentum by engaging broader testing groups across multiple divisions throughout the Company, while continuing to monitor new technology. The continuation of this expansion supports the Company's commitment to reduce our carbon emissions; the more electric and hybrid vehicles we add to our delivery and sales fleet, the less gas-powered energy is consumed Company-wide.

"It's an exciting time and ultimately we want to show there are areas in which technology can help," Lukacs concluded. "This drives home the commitment Sherwin-Williams has to sustainability and dedication to being on the forefront of new technology."

AWARDING OUR FLEET EFFORTS

Joseph Lukacs, Sherwin-Williams Global Director of Fleet Operations, received the inaugural Innovation Partner Award from fleet management company LeasePlan USA, and was the runner-up for Fleet Professional of the Year by *Automotive Fleet Magazines*. His recognition on behalf of Sherwin-Williams showcases industry acknowledgement of the organization's efforts surrounding the EV/hybrid pilot program.

Energy Efficiency

Sherwin-Williams is committed to the efficient use of energy, with a focus on reducing energy use, as well as expanding our use of renewable energy within our manufacturing facilities and fleet operations.

Each year, we evaluate opportunities to improve our energy efficiency through our assessment of new technologies, the optimization of current processes and the exploration of alternative fuel solutions to achieve our goal of increasing our operational energy efficiency by 20% by 2030.

In 2021, Sherwin-Williams hired a leading third-party consultant to help build our energy reduction strategy and develop policies to meet our objectives. Our global energy efficiency auditing program is a foundational element of our strategy. We have also committed to routine site-specific energy audits to analyze the performance of individual Sherwin-Williams facilities and identify opportunities for improvement.

Sherwin-Williams has a goal for every production facility to undertake sustainability projects annually. The resulting improvements are tracked to measure our progress. Priority for our energy investments is given to the projects with the highest potential for impact.

Some of our energy-saving initiatives include:

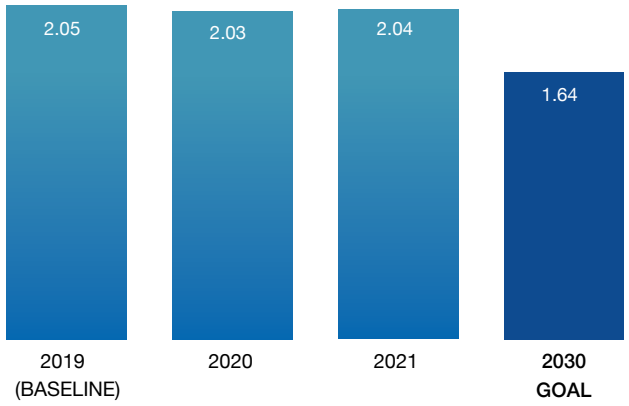
- Installing centrally managed and programmable HVAC systems
- Installing compressed air optimization system and air leak elimination technology
- Adopting energy-efficient building construction specifications
- Scheduling equipment idle and controlled shutdowns
- Improving packaging to eliminate unnecessary weight and volume of material being shipped
- Installing lighting replacements and controls
- Participating as a U.S. Environmental Protection Agency (EPA) SmartWay Transport Partner as a shipper/carrier
- Participating in the U.S. Department of Energy's Better Plants Challenge Program
- Pursuing LEED® (Leadership in Energy and Environmental Design™) certification for new builds, including our headquarters building in Cleveland, and Global Research and Development Center in Brecksville, Ohio, both currently under construction
- Upgrading fleets to higher-miles-per-gallon vehicles
- Upgrading equipment with higher-efficiency units
- Using hybrid and electric vehicles in the fleet
- Utilizing sophisticated planning software to determine the most efficient distribution routes

Energy Consumption

The charts below present total energy performance (intensity) and total energy consumption for our global footprint. We are presenting both sets of data for consistency and comparison reasons. Our 2019, 2020 and 2021 energy consumption numbers include a very small amount of renewable energy that is not yet impactful enough to show up in the results. However, we do expect it to become a significant part of our energy portfolio in the years ahead, and when it does, we will reflect it in this data set. The total energy performance goal for 2030 represents a 20% increase in energy efficiency compared with the baseline year of 2019. For more information on our environmental data, see the Sherwin-Williams Investor ESG Summary in the appendix of this report and on our website at **sustainability.sherwin-williams.com**.

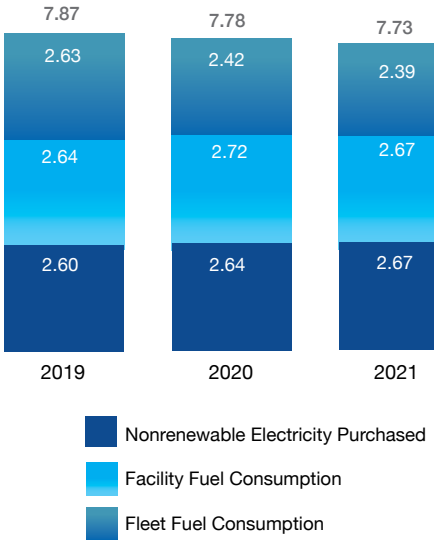
Total Energy Performance (Intensity)

gigajoules per metric ton of production, all global locations



Total Energy Consumption

million gigajoules, all global locations



Focusing on Renewable Energy

Sherwin-Williams has established a goal to increase electricity from renewable sources to 50% of total electricity usage by 2030. To help us achieve this goal and our 2030 carbon reduction goal, we are exploring a variety of renewable energy mechanisms and tools. Our options may include, but will not be limited to, on-site renewable energy generation at some Company locations, virtual power purchase agreements (VPPAs) and renewable energy credits (RECs).

In 2021, we began work on an on-site solar project at our Orlando, Florida, plant, which builds on the success we have had using solar energy at our plants in Dresden, Germany, and Minerbio, Italy. We are also taking steps to procure VPPAs in the U.S. While we are still assessing our renewable energy options and the potential for VPPAs in other markets, we believe these initiatives will support the mitigation of our carbon footprint in the long term.

Improving Energy Efficiency in Our Stores

We believe seemingly minor changes made at a large scale can equate to a substantial impact. Since 2019, The Americas Group (TAG) has worked to reduce electricity and gas consumption at our paint stores by replacing traditional thermostats with smart thermostats. Smart thermostats can be centrally monitored and controlled based on a store's operational hours to maximize energy savings. The installation of these units typically results in a 15% reduction in energy consumption per store. We continue to evaluate individual stores to look for ways to bolster our energy efficiency.

GENERAL INDUSTRIAL EFFORTS IN CHINA RECOGNIZED FOR SUSTAINABLE LEADERSHIP

The Sherwin-Williams General Industrial team in China was recognized at the 11th annual Philanthropy Festival & Corporate Social Responsibility Carnival in Shanghai in early 2022. The team received the following accolades: Green Model of the Year and Responsible Business Leader of the Year, presented to Julie Zhu, General Industrial Division General Manager for the Asia-Pacific Region.

DRESDEN COATINGS FACILITY EMPLOYEES HELP PROTECT WILD BEE POPULATION

In Germany and across the globe, habitats of wild bee populations are being destroyed, leaving the species in danger. Team members at our Sherwin-Williams General Industrial facility in Dresden completed a project in 2021 to protect and support the wild bee population on the property. Facility employees surveyed the area and created a plan to improve the grounds where bees and other insects could live harmoniously. The team planted new flowers and trees, created a plan for continually meeting wildlife requirements and installed two insect houses to provide habitats for the bees, other insects and wildlife on the facility grounds.

FEATURE STORY

Spotlighting LED Installation in Manufacturing Facilities

The future of sustainable lighting at Sherwin-Williams is bright, and light-emitting diode (LED) technology is part of a global energy-saving solution. Widely viewed as the most energy-efficient lighting solution, LED products keep spaces well-lit while offering significant cost savings. A global initiative to upgrade to LED bulbs and lamps in 113 Sherwin-Williams manufacturing facilities is underway and will help the Company achieve its goal of increasing operational energy efficiency by 20%.

In the Europe, Middle East, Africa and India (EMEAI) region, the Bellö, Sweden, facility electricians are updating fluorescent and incandescent lighting products with new LED bulbs – averaging around four bulb replacements each month. The facility is currently seeing a 39% energy reduction for plant lighting since implementation began.

In the Latin America (LATAM) region, Sumare manufacturing facility employees in São Paulo, Brazil, are working to replace 168 fluorescent bulbs with LED solutions. With a nearly 30% return on investment (ROI) for this project, the facility team plans to reduce its power needs by approximately 190,000 kilowatt hours per year.

Similarly, our Orlando, Florida, plant is experiencing significant benefits from updating its on-site lighting. In 2021, the team saw a cost savings of $60,000 after the bulb installation and noted a decrease in slips, trips and falls, in part due to the improved LED lighting.

Brandon Garnet, Sherwin-Williams Global Supply Chain (GSC) Divisional Continuous Improvement Manager, spoke about a project underway to upgrade lighting to LEDs in our North American GSC facilities. “We wanted a turnkey solution,” he said. “We are currently working with a vendor to help us implement LED lighting in all 39 North American facilities.”

In 2022, the team will start with the four largest sites – Buford, Georgia; Greensboro, North Carolina; Fredericksburg, Pennsylvania; and Massillon, Ohio – with the project estimated to be complete by 2025.

“By converting our GSC manufacturing facilities to LED lighting by 2025, we should experience a significant savings of total kilowatt hours per year,” Garnet said. “This project alone equates to 10% of our overall goal for electrical reduction across our supply chain. I’m proud to be part of a monumental sustainable change, and I can’t wait to see how the project positively affects the environment, Company and employees over the next few years.”

Waste Reduction

Sherwin-Williams continuously strives to reduce waste in our operations. Our waste reduction efforts focus on two primary areas:

1) Reducing the amount of waste that we generate; and
2) Increasing our reuse and recycling.

All Sherwin-Williams manufacturing facilities have unique waste reduction targets and programs. Our waste reduction initiatives are commonly centered on improving quality control processes, reducing the number of distressed batches of product, managing raw materials and conducting finished product inventory, thereby eliminating the waste before it is generated.

In 2021, our Global Supply Chain (GSC) division began value stream mapping our operations to get a better understanding of our waste processes. The value stream mapping tool systematically reviews the energy consumption and waste generation of each step in the manufacturing and distribution process, providing a living document to help build a pipeline of sustainability projects.

Sherwin-Williams has a long history of reusing and recycling byproducts of our production process and incorporating excess raw materials, off-specification paint and wash water back into production as alternative raw materials in the manufacture of new batches. We are proud of these efforts and continue to encourage our facilities to maximize this activity.

All facilities have defined recycling programs in place where materials such as cardboard, paper, plastic and metal are diverted from the waste stream. Recycling rates at all our large manufacturing, distribution, administration and laboratory facilities are tracked globally using our EcoMet database. Waste that is unable to be recycled or reused is managed in accordance with applicable regulations and corporate guidelines. In 2021, the Company recycled approximately 40% of total waste generated.

As part of our product stewardship initiatives, Sherwin-Williams supports the recycling of post-consumer paint through our participation in the PaintCare® paint recycling program. We have been involved in the PaintCare program since its inception in 2009 and have collected more than 3.5 million gallons of paint for recycling since 2018. The nonprofit program, which is currently available in 10 states and the District of Columbia, is managed by the American Coatings Association and helps keep unused and discarded paint out of residential waste streams. PaintCare attempts to reuse and recycle the leftover paint and containers before properly disposing of any remainder.

PAINT TECHNOLOGY TARGETS CONSUMER WELL-BEING

Sherwin-Williams is creating innovative, sustainable painting solutions that continue to work hard even after application is complete. One of these solutions is the Living Well™ collection – a series of paint offerings with air purifying and sanitizing technologies. Launched in early 2021, the air-purifying technology helps reduce volatile organic compound (VOC) levels from potential sources such as carpeting, cabinetry and fabrics, and it works to reduce unwanted household odors*. The sanitizing technology is Environmental Protection Agency (EPA)-registered and is designed to eliminate 90% of certain bacteria** for up to four years after application.

Advanced purifying and sanitizing technology is now available for more than just medical and commercial realms as household consumers around the globe are continually prioritizing products that contribute to their overall well-being. This leading-edge product line was launched with the everyday paint consumer in mind.

**Reduces VOC levels from potential sources like carpet, cabinets and fabrics and works to reduce unwanted household odors. The length of time SuperPaint® with Air Purifying Technology Interior Acrylic Latex actively reduces odors and formaldehyde depends on the concentration, the frequency of exposure and the amount of painted surface area.*

***EPA-registered paint that kills 99.9% of Staph (Staphylococcus aureus), E. coli (Escherichia coli), MRSA (Methicillin-resistant Staphylococcus aureus), VRE (Vancomycin-resistant Enterococcus faecalis) and Enterobacter aerogenes on painted surfaces within two hours of exposure, and continues to kill 90% of bacteria for up to four years when the integrity of the surface is maintained.*

Waste Reduction Performance

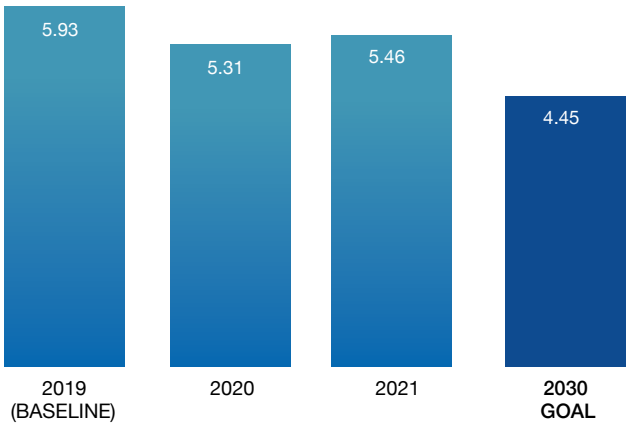
The chart and table below present the total waste treated and disposed performance and the breakdown of total waste, hazardous waste and nonhazardous waste for our global footprint. We are presenting both sets of data for consistency and comparison reasons. The goal for 2030 represents a 25% reduction in waste disposal intensity (all waste streams) compared with the baseline year of 2019. We expect this reduction will be achieved by focusing our operations to drive toward zero solid waste to landfill and by maximizing reuse of manufacturing byproducts, such as wash water, on-site. In 2021, our amount of waste treated and disposed was impacted by a combination of factors, including cleanup of equipment at several closed manufacturing facilities (which generated more waste and higher waste intensity than ongoing production would have generated at those facilities) and a decrease in the availability and economic viability of recycling outlets for our waste. For more information on our environmental data, see the Sherwin-Williams Investor ESG Summary in the appendix of this report and on our website at **sustainability.sherwin-williams.com**.

DRIVING EFFICIENCIES IN WASTE MANAGEMENT

In 2022, more than 50 paint stores in The Americas Group will begin utilizing waste monitoring devices as part of a pilot program, with approximately 50% utilizing dumpster cameras and the other half using sonar-like devices that monitor load levels to better understand actual waste generation and manage their waste. The automated cameras, which continuously monitor the containers, notify the facilities' waste management providers when the dumpsters are full. This investment helps cut back on unnecessary collections and subsequent emissions from waste trucks. These cameras can also identify when foreign materials are placed into the waste dumpsters, which helps stores reduce contamination and improve their recycling percentage.

Waste Treated and Disposed Performance

metric tons per 100 metric tons of production, all global locations



Along with the environmental data published in this section, additional Sherwin-Williams environmental performance data can be found in the SASB Index starting on page 56 of this report, in our Investor ESG Summary Report starting on page 68 of this report, and on our website at **sustainability.sherwin-williams.com**.

Waste Performance*

Year	Generated (thousand metric tons)	Recycled[1] (thousand metric tons)	Recycled[1] (percent)	Treated and Disposed[2] (thousand metric tons)
TOTAL WASTE				
2019	381.3	153.7	40.3%	227.6
2020	353.6	150.2	42.5%	203.4
2021	341.1	134.6	39.5%	206.5
NONHAZARDOUS WASTE				
2019	313.5	127.2	40.6%	186.3
2020	288.8	122.6	42.4%	166.2
2021	271.0	106.9	39.4%	164.2
HAZARDOUS WASTE[3]				
2019	67.8	26.5	39.1%	41.3
2020	64.8	27.6	42.6%	37.2
2021	70.0	27.7	39.6%	42.3

[1] "Recycled" includes recycling and reuse of materials

[2] "Treated and Disposed" includes incineration and energy recovery

[3] "Hazardous Waste" is defined by the country of generation

** Waste data includes all locations globally*

EHS Oversight and Strategy

Sherwin-Williams manages the governance of our environmental programs under our Environmental, Health & Safety (EHS) and Sustainability groups. At the highest level of the Company, the Board of Directors oversees various risks, with the Nominating and Corporate Governance Committee (Nominating Committee) assisting the board in reviewing risks relating to our key EHS and sustainability policies and strategies.

As discussed in further detail in the Governance and Ethics section of this report, we have a Sustainability Steering Committee, composed of members of senior management and other senior leaders. Members of the Steering Committee provide periodic reports to the board and Nominating Committee, and the Steering Committee is responsible for ensuring an enterprise-wide approach to overseeing the development of our overall sustainability strategies. The Steering Committee oversees a Sustainability Council, which consists of subject matter experts.

In 2021, a new sustainability Climate and Footprint working group was formed as a subgroup to the Sustainability Council. This working group meets monthly to address more tactical issues related to the Company's climate and environmental footprint actions. With representation from all business divisions, the group reports to the Sustainability Council and offers ideas and feedback to help improve processes throughout the organization.

Our core sustainability structure was enhanced in 2019 and continues to be a driver in integrating sustainability programs and initiatives across our business. Our EHS Council, consisting of environmental, health and safety subject matter experts, has been in place since 2015 and reports monthly to senior management. The EHS Council is responsible for implementation of our EHS strategy and commitments. This includes ensuring the consistent application of best practices and managing investments in environmental, health and safety projects. Division leadership implements these strategic initiatives across our businesses and operations. Environmental performance is captured in an internal EHS scorecard, which is published monthly.

Environmental, Health and Safety Management

The Company has a Global Environmental, Health and Safety Policy, which sets forth the Company's commitment to global leadership and excellence in EHS through our operations, business and products. Our EHS policy includes the Sherwin-Williams commitments to:

- Provide our employees with a safe and healthy workplace;
- Conserve resources and prevent pollution;
- Comply with all applicable EHS legal requirements and supplement that compliance with our own standards; and
- Develop, manufacture, distribute and sell our products in a way that preserves resources, prevents pollution and minimizes environmental impacts from our activities.

We are also committed to continually improving our EHS and sustainability performance. We have a strong record of regulatory compliance, risk management and adherence to our internal standards, which combined provide a foundation for our EHS management program.

We actively manage EHS to ensure our operations are safe for our employees and the communities in which we operate, and have minimal environmental impacts. We provide EHS training opportunities for employees. In addition, all our products must meet applicable requirements for hazard communication, chemical inventories, volatile organic compounds (VOCs) and other relevant regulations in the areas in which they are sold. We continuously track and assess the impact of new regulations and adjust our systems to comply effectively. We ensure that proper hazard communication documents are distributed to our customers.

All manufacturing and distribution sites must conform to our EHS management system, which is in strong alignment with third-party certifications, such as the ISO 14001 voluntary standard for environmental management and the OSHA Voluntary Protection Programs (VPP), and other best practices. Approximately 36% of our manufacturing and distribution facilities are ISO 14001-certified. Whether a facility is third-party-certified or not, it is required to conform to our EHS management system and the core principles of compliance with legal requirements, prevention of pollution and continual improvement.

Product Blueprint

Enhancing our Product Blueprint is one of the most compelling ways that Sherwin-Williams is ***Building on the Good*** for our stakeholders. Our Sustainability by Design program is a signature effort in our five-stage Stage-Gate process to formally incorporate sustainability attributes such as life cycle thinking within our innovation and product development processes. In the spirit of continuous improvement, this program enables us to evolve our products and processes to deliver and grow our "sustainably advantaged products" offering.

IN THIS SECTION:

Sustainability by Design

'Sustainably Advantaged Products'

Life Cycle Assessment

Product Stewardship

Product Blueprint

Sherwin-Williams is focused on our Product Blueprint, and our Sustainability by Design program reflects our dedication to product stewardship, chemicals management and compliance excellence. We are committed to providing world-class products that can be manufactured and used in a safe manner.

Paint and coatings are inherently sustainable – they provide protection, durability and longevity to the surfaces to which they are applied. As we continue ***Building on the Good***, we are further expanding our portfolio of "sustainably advantaged products" to benefit our business, our customers and our other stakeholders.

Our Product Blueprint Philosophy

Launched in 2021, Sherwin-Williams has integrated the Sustainability by Design program into our product innovation and development processes. This program embeds life cycle thinking into the earliest stages of these processes and better enables us to expand our portfolio of "sustainably advantaged products." 2021 was an important year focused on building a foundation and driving progress, as demonstrated by the goals we achieved:

Implemented Sustainability by Design program across the enterprise, serving as our proactive, foundational process to aid the growth of our "sustainably advantaged products" portfolio

Established a baseline for "sustainably advantaged products" and developed a plan for expanding this product portfolio in the future

Developed a structured process for measuring and assessing Scope 3 emissions

Our Sustainability by Design Journey

Innovation and continuous improvement are foundational to our product development process and the cornerstones of our Sustainability by Design program. From initial concept through commercialization, we identify ways to make our products more sustainable and better performing by evaluating chemical formulations, product performance, manufacturing processes, health and safety considerations and product packaging, among other areas. This formal process also provides flexibility to evolve with the needs of each of our businesses.

By achieving our 2021 Product Blueprint goal of integrating our Sustainability by Design program throughout the enterprise, we have laid the foundation to continue growing our "sustainably advantaged products" portfolio.

Key milestones helped to strengthen and expand our sustainable product development process.

Highlights from 2021 include:

- Extended Sustainability by Design program across the enterprise, enhancing our capability to innovate based on sustainability attributes on a large scale
- Established a baseline for "sustainably advantaged products" and developed a plan for expanding this product portfolio in the future
- Advanced our position to start managing our Scope 3 emissions by enhancing the technicality and organization of our processes
- Integrated our Sustainability by Design program into our existing Stage-Gate process
- Defined five "Sustainability Attributes" of focus for product innovation, development and categorization – Air Quality, Formula Stewardship, Resource Conservation, Circularity and Performance
- Launched internal sustainability training, with a focus on how to think about sustainability, to determine the attributes most important to each business and/or product line

Sustainability by Design Stage-Gate Process

Sherwin-Williams Sustainability Attributes

Sherwin-Williams focuses on the following sustainability attributes in product innovation and development:

Air Quality	Formula Stewardship	Resource Conservation	Circularity	Performance
• Reduction of VOCs • Air purifying technology	• Hazard / risk • Alternative substances • Bio-based content • Ecolabel certification • Life cycle assessment / environmental product declaration	• Resource reduction • Waste reduction • Environmental footprint	• Recycled content / recyclability • Sustainable packaging	• Improved durability • Application efficiency / reduced labor

Aligning the Sustainability by Design program with our Stage-Gate process clarified and streamlined our approach for business implementation. Comprehensive training reinforced the importance of sustainability and increased our teams' awareness and understanding of the Sustainability by Design process and how it relates to daily functions and procedures. We made this training available to employees, including our research and development (R&D) and marketing teams.

In addition, we enhanced our Sustainability by Design program by creating a digital tool that enables our product designers, marketers and formulators to better identify and create more sustainable solutions. The tool facilitates goal setting, the categorization of products with specific sustainability attributes and enhances employee accessibility and understanding of our Sustainability by Design program.

Use of this new tool allows us to:

- Enable R&D teams to assess environmental and toxicological hazards
- Standardize our method for organizing and categorizing our products
- Improve our ability to monitor and measure key performance indicators (KPIs)
- Streamline employee involvement within the process

In 2021, our inaugural Technical Achievement in Sustainability awards were given in recognition of high-performing employees who made contributions toward expanding our "sustainably advantaged products" portfolio.

PARTNERING WITH SUPPLIERS TO *BUILD ON THE GOOD*

We pride ourselves on the relationships we have with our suppliers and regularly engage with them to maintain a supply chain in which continuous improvement and sustainability principles are at the forefront.

Throughout 2021, we enhanced collaboration within our network of suppliers to ***Build on the Good***. A driving focus in these collaborations has been our Product Blueprint. Through supplier engagement, we have pursued opportunities to improve product sustainability, including using renewable feedstocks and more sustainable raw material alternatives. These collaborations have provided insight and a better understanding of our Scope 3 emissions.

A Growing Portfolio of 'Sustainably Advantaged Products'

Sherwin-Williams has a long and distinguished history of producing "sustainably advantaged products" by aligning with industry-leading guidelines and third-party certifications. "Sustainably advantaged products" are products that achieve a level of third-party green chemistry, ecolabel or similar recognition, or can be shown to be more sustainable than what is currently the norm for the industry.

Throughout 2021, we continued to expand our portfolio of "sustainably advantaged products."

FEATURE STORY

Delivering ‘Sustainably Advantaged’ Solutions

As an industry leader in the development of best-in-class product technology, we are expanding our portfolio of “sustainably advantaged products” that meet, and often exceed, third-party green chemistry, ecolabel or similar recognitions. With growing demand for more sustainable construction materials, the importance of validation from third-party governing bodies is evolving into an essential requirement for many commercial projects.

Certifications from third parties utilize benchmarking standards (scoring) set by governing partners, such as the U.S. Green Building Council’s Leadership in Energy and Environmental Design™ (LEED®) green building program, to meet standardized criteria. Third-party validation through partners, such as Underwriters Laboratories® (UL) and NSF International, is considered credible with customers as these organizations possess the expertise to conduct an impartial evaluation of key sustainability attributes.

For sustainability deliverables, such as Environmental Product Declarations (EPDs) and Material Ingredient disclosures, programs like LEED recognize products with third-party validations as 1.5 products in the calculation as opposed to one product each for those that are self-declared. Sherwin-Williams was the first coatings manufacturer to have Material Ingredient disclosures externally validated, a move beyond the LEED requirements at the time.

“This validation stems from an objective third party coming to conclusions regarding components going into the product and identifying the potential hazards,” explained Doug Mazeffa, Sherwin-Williams Global Sustainability Director. Mazeffa has served on leadership committees with the U.S. Green Building Council, which oversees LEED. “We support employees engaging and providing input to facilitate collaborative development of building product manufacturing standards.”

Specifiers and applicators, along with other industrial customers, are seeking coatings that deliver optimal performance while meeting these third-party requirements. Sherwin-Williams offers these professional customers optimal solutions while obtaining the sustainable building credits their customers need.

“We are proudly raising the bar and delivering value to our customers by developing ‘sustainably advantaged products’ and adding third-party validations to address concerns associated with self-declarations,” Mazeffa added. “Sherwin-Williams has been leading the charge in transparency and credibility for our programs and products.”

The Company also led the industry as the first coatings manufacturer to estimate its products’ environmental impacts through EPDs. “These are third-party-validated by NSF International,” Mazeffa said. “Sherwin-Williams has more EPDs than any other member of the coatings industry.”

The Global Director describes EPDs as “an environmental nutrition label” – with disclosures around a product’s carbon footprint and energy consumption needed to achieve certain LEED credits. “Sherwin-Williams was also the first in the industry to publish LEED-eligible Action Plans to support the optimization credits for both EPDs and Material Ingredients,” Mazeffa concluded. “We offer the most LEED-eligible products in our industry.”

Life Cycle Assessment at Sherwin-Williams

At Sherwin-Williams, we produce paint and coatings that protect the appearance and longevity of the structures and products to which they are applied, resulting in reduced life cycle impacts and costs for our customers. We have a rigorous and science-based life cycle assessment (LCA) program, which is the foundation for an expanding number of Environmental Product Declarations (EPDs) on our architectural and industrial product lines.

Our process starts with deciding how a particular product will be evaluated and the environmental attributes to be studied. The LCA evaluates factors such as raw material consumption, distribution to retail centers, customer travel to purchase and apply the coating, usage considerations and packaging. Subsequently, we develop an EPD, which standardizes environmental impact information to provide transparency regarding the product's environmental footprint and eligibility for credit in green building programs such as LEED®. EPDs are an important tool to help specifiers and users compare various products.

A key component of our LCA process is life cycle thinking, during which we consider and quantify impacts throughout our value chain. This includes assessing impacts throughout the product life cycle – from raw material extraction to product disposal at end-use. We highlight considerations for how we may innovate and develop a product as well as partner with suppliers, distributors and customers. Through life cycle thinking, we can better understand the systems and variables through which our products interplay. This improves our ability to address customer needs, prioritize sustainability attributes such as performance and collaborate with key stakeholders within our value chain to align actions.

Following the implementation of our enterprise-wide Sustainability by Design program throughout 2021, LCA continues to be a valuable tool for measuring the sustainability impacts of existing products and developing additional "sustainably advantaged products."

LEADERSHIP IN SUSTAINABLE ARCHITECTURAL PRODUCTS

A large number of our architectural "sustainably advantaged products" meet or exceed sustainability criteria set by leading third-party organizations, programs, standards and codes such as:

- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- Collaborative for High Performance Schools® (CHPS)
- Cradle to Cradle Products Innovation Institute
- EU Ecolabel
- Green Globes®
- GREENGUARD Environmental Institute (GEI) and UL GREENGUARD
- International Green Construction Code®
- Leadership in Energy and Environmental Design™ (LEED®)
- Nordic Swan Ecolabel
- The Master Painters Institute®
- USDA BioPreferred® Program
- WELL Building Standard®

For more information on our certifications and regulatory obligations for our architectural products, see the product reference guide on our website.

PRODUCTS THAT DRIVE PRODUCTIVITY HAVE SUSTAINABILITY ADVANTAGES

Developing products that increase productivity is essential for the Sherwin-Williams commercial market – for the benefit of our customers and to progress our Company-wide sustainability goals. Our product development teams continue to operate with a productivity mindset, helping to advance products that work harder for our customers once application is complete.

For example, Scuff Tuff® Interior Water-based Enamel provides heightened durability and abrasion resistance. It was developed for use in high-traffic spaces that are prone to wear and tear, such as apartment complexes and commercial buildings. Following application, the product maintains a quality finish longer than typical architectural coatings, reducing the number of repaints needed over time.

LATITUDE® Exterior Acrylic with ClimateFlex Technology™ also provides great benefits for our commercial customers. This technology provides early moisture resistance, smooth application at extreme temperatures (35°F-120°F) and a durable finish that protects against peeling, cracking and dirt pickup in harsh climates. The exterior coating provides painters the ability to perform jobs that would traditionally need to be rescheduled, ultimately cutting down total painting time and the need for additional weather-related touch-ups.

Social Imprint

We are committed to the safety of our global employee base as evidenced by achieving our safest year on record in 2021. We are committed to fostering a culture of inclusion, diversity and equity where differences are welcomed, celebrated and appreciated to positively impact our people and business. We care deeply about supporting and being actively engaged in the communities where we live and work.

IN THIS SECTION:

Occupational Health and Safety

Inclusion, Diversity and Equity

Talent Acquisition and Employee Engagement

Community Engagement

Social Imprint

Our commitment to our people, customers and communities is intrinsic to our guiding values that lay the foundation for our Culture of Excellence. Our people are central to the Company's success – today and in the future. Our culture and commitment to our employees and communities are important factors in attracting, retaining, developing and progressing the best talent in our industry.

Our Goals and Aspirations for ***Building on the Good*** for Our People and Our Communities

Reduce recordable case rate to **0.8** by 2025, compared with **1.06** in 2020*

Reduce ergonomic injuries by implementing two ergonomic interventions per year in each manufacturing site

Increase women in management roles to **30%** by 2025, compared with **26%** in 2020*

Increase underrepresented racial/ethnic groups in U.S. management roles to **30%** by 2025, compared with **26%** in 2020*

Achieve and improve upon a favorable score on the Sherwin-Williams Inclusion Index, based on results of our global employee engagement survey

Foster economic inclusion for underrepresented suppliers

** 2020 is the baseline year*

Our People-Centric Culture

We are committed to the fair, consistent and equitable treatment of our employees in relation to working conditions, wages, benefits, policies and procedures. Our policies and programs are designed to respond to the needs of our employees in a manner that provides a safe, professional and rewarding workplace.

Our people-centric culture promotes the unique contributions of our employees – empowering them and our Company to reach our full potential, while embracing and celebrating our differences. We have established specific inclusion, diversity and equity goals and aspirations that are reflected in all talent management and employee engagement strategies to ensure our workforce reflects those we serve.

Through the years, Sherwin-Williams has built a legacy of prioritizing the safety, well-being and engagement of our employees. Simultaneously, we empower them – individually and collectively – to make positive contributions in the communities where they live and work around the globe.

Occupational Health and Safety

S-W Cares

The safety of our employees and customers is a core value. *S-W Cares* is our safety culture initiative to define a roadmap for achieving environmental, health and safety (EHS) excellence across the Company. It puts resources, policies and accountability in place to deliver on our EHS commitments. It also provides a governance structure that is supported by tools to continuously measure our efforts to ensure safe workplaces, protect the environment and meet or exceed regulatory requirements.

Each letter in "cares" defines an expectation for our teams and leaders to sustain and improve our safety performance. To embody *S-W Cares*, our leaders and teams must:

Champion	Lead by example
Act	Find, own and fix issues
Recognize	Reward individual and team EHS efforts
Empower	Allow people the time to support a safe and healthy work environment
Share	Share successes and best practices

We have formal systems and programs – like the *TLC Stay Safe Out There* campaign – to help employees "find, own, fix and report" workplace EHS hazards before they lead to an incident. Every manufacturing site has a safety action plan and conducts monthly training to reinforce specific focus areas and ensure the implementation of best practices. Employees then use what they have learned to audit their personal workspaces. The effort shows that all employees – regardless of their role – can directly impact the safety of the workplace.

One EHS Management System Across Sherwin-Williams

Our EHS Management System (EHSMS) covers all Sherwin-Williams facilities across our three reportable segments – The Americas Group (TAG), Consumer Brands Group (CBG) and Performance Coatings Group (PCG) – and our Global Supply Chain division, which is managed within CBG.

During 2021, we focused on further centralizing and standardizing the implementation of our EHSMS and began to socialize and communicate these changes throughout Sherwin-Williams. Culture, in the form of *S-W Cares*, is at the center of the EHSMS. The most significant change from previous iterations is clear definition and implementation guidance for the five essential components of the EHSMS:

- Culture
- Planning
- Implementation and Operations
- Verifications and Process Accountability
- Action Management and Continuous Improvement

Our intention moving forward is to utilize standardized EHSMS processes and tools, including site plan templates, checklists and worksheets, which are adaptable for all parts of the organization. This approach enhances clarity and consistency and further ingrains continuous improvement into our functions and responsibilities. We began this initiative by rolling out the more formalized set of tools for EHSMS implementation to our manufacturing locations. This process is ongoing, and we intend to continue socializing and implementing it across our organization in 2022 and 2023.

Ambitious Safety Goals

As we continually strive to achieve zero recordable injuries, we have set ambitious safety goals for 2025 in the following areas:

- **Process Safety**: Drive a continuous improvement maturity path by having all 65 global manufacturing sites advance within our four-tier blueprint to minimize disruptive fires and spills across the enterprise
- **Safety & Risk**: Achieve a recordable cases rate (RCR) of 0.8
- **Occupational Health**: Reduce the number of ergonomic injuries by implementing at least two interventions per year at each manufacturing site

ENHANCING SAFETY AT OUR STORES

In the spirit of a centralized strategy that gives stores and facilities the flexibility to do what works best for them, we continue to develop segment-specific initiatives. This includes the 2021 expansion of our tactical EHS handbook and companion mobile app for the unique operations of our retail stores. These widely used tools were effective at the sales floor level in improving safety awareness and increasing safe behaviors.

We encouraged store implementation and use of the TAG EHS handbook and mobile app through our *TLC Stay Safe Out There* campaign. This initiative is organized into three levels – bronze, silver and gold – with each level associated with enhanced safety performance. TAG's Environmental, Health, Safety and Transportation team continued to drive injury reduction and sustainability improvements. TAG's 2021 results included a 37% reduction in recordable injuries, a reduction in the number of hazardous waste generating stores, and progress toward a hybrid and electric delivery fleet. We continue to set goals for district managers to drive consistent progress at the local, district and regional levels.

Throughout 2021, we focused on stores moving from a base level to the bronze level, with approximately 99% of stores achieving this goal. This bronze level ensures that many known injury causal factors in stores were routinely evaluated and, when identified, corrected in our store environment.
In 2022 and beyond, we expect the balance of our stores to reach the bronze level and for many of our stores to progress from bronze to silver and ultimately to gold.

2021 Safety Performance Data

0.81
RECORDABLE CASE RATE

60
NUMBER OF MANUFACTURING AND DISTRIBUTION FACILITIES ACHIEVING ZERO RECORDABLES IN 2021

31
NUMBER OF SITES GLOBALLY WITH OSHA'S VPP STAR RATING OR OHSAS 18001 CERTIFICATION

0.53
REPORTABLE FLEET ACCIDENTS PER MILLION MILES

Process Safety Management

Throughout 2021, we continued to invest in a proactive, ongoing improvement effort to strengthen process safety management (PSM) at all 65 global manufacturing sites. While regulatory compliance is an expectation of all our facilities, we utilize a four-tier PSM scorecard to assess our sites' position along a PSM implementation maturity path. The scorecard reserves a top score of 4 for facilities that demonstrate a comprehensive, mature PSM program. This includes a high degree of leadership, engagement and communication, conducting and resolving process hazard analyses and maintaining employee engagement and awareness.

We are committed to driving continuous improvement at all 65 global manufacturing sites. In 2021, 30.7% of our sites achieved level 2 on our PSM scorecard. Our PSM progress is reviewed on a quarterly basis.

Ergonomic Interventions

Sherwin-Williams continues to focus on preventing injuries through ergonomic interventions, with a goal of two interventions per year at each manufacturing site. In 2021, we implemented more than 375 ergonomic interventions.

In assessing our safety performance and history of ergonomic injuries, we have identified repetitive, manual handling of 5-gallon pails as a key ergonomic risk factor in our operations. To address this risk, we have assembled a continuous improvement team to document all engineering and administrative controls for pail handling and have published several training videos on how to properly lift and handle a 5-gallon pail.

The sharing of best practices across our organization is central to our ergonomic intervention efforts. We facilitate this by making ergonomic intervention information available to all sites electronically via an ergonomic control solutions webpage. This collaborative approach helps our sites learn from each other and reinforces our belief in "not having to fix the same thing twice."

To recognize the ergonomic accomplishments of high-performing teams and plant managers, we celebrate successes and milestones with our annual Ergo Excellence Awards. Sites participate by submitting their intervention actions. Winners are selected to acknowledge their focus on ergonomics. Our 2021 Ergo Excellence Award winning sites were Singapore, with an ergonomic process redesign, and Garland, Texas, with an inline checkweigher, which eliminated a large amount of manual handling.

Collaboration Between Divisions Drives Continuous Improvement

Our EHS practices and procedures are overseen by a steering committee that includes senior leaders from our three segments, as well as our Global Supply Chain division. An EHS Council, comprised of representatives from each segment and division, sets and tracks goals that are reported to the steering committee, as well as members of the Sustainability Council. The EHS Council also functions as a think tank, allowing divisions to share learnings and leverage improvements.

Collaboration between divisions about EHS topics has dramatically increased and helped drive Company-wide improvements. "For several months, we discussed and listened to each other about what would make the management system work," said Brian Haynack, Sherwin-Williams EHS Director – Strategic Excellence. "That was so valuable to gain an understanding of where the business wants us to take this."

As we have introduced programs like PSM and other initiatives that encourage a centralized approach to EHS management, leaders within our EHS governance structure have proven instrumental in providing oversight and encouraging implementation division-wide.

FEATURE STORY

Striving to Drive a Continuous Improvement Maturity Path on a Global Scale

Nearly 30 years ago, the U.S. Occupational Safety and Health Administration (OSHA) established PSM requirements for managing dangers associated with processes that use highly hazardous chemicals. The standard addresses general and construction industries and integrates technologies, procedures and management practices into the requirements. While PSM is a U.S. OSHA standard, there are several standards throughout Europe – including the Seveso Directive – as well as standards in many other countries in which Sherwin-Williams operates, such as Mexico, Brazil and South Africa.

Sherwin-Williams instituted a global management standard to govern all process safety activities within the Company with a goal to help reduce risk to employees, operations and the environment in a way that extends beyond the legal standards. "We want to make sure we are meeting the legal requirements – but we also need to meet The Sherwin-Williams Company standard – which is a higher bar," said John Vosicky, Sherwin-Williams Senior Director of Global EHS and Remediation.

PSM is a program that requires participation from many groups within the organization, including:

- Senior leadership to sponsor the program;
- Corporate teams from digital technology, engineering operations and EHS team members to develop and manage the technical aspects;
- Site leaders and staff to execute the programs; and
- Operators and maintenance staff to maintain the covered equipment safely and effectively.

"Senior leaders are key to making a program like PSM function within Sherwin-Williams," explained Joseph Aleksa, Sherwin-Williams Process Safety Director. "Their understanding and support of the program give it the attention it needs to succeed."

One site that has gone beyond the legal requirements to meet the higher Sherwin-Williams standard is our resin and coatings facility in Garland, Texas. The Garland-Shiloh site continues to work toward elevating its compliance status even more. Similarly, our Singapore resin plant has achieved significant PSM continuous improvement beyond the Sherwin-Williams and in-country requirements.

Our EHS teams have set tangible goals for all global process safety operations. They are planning to drive continuous improvement in PSM by 2025 and beyond. "We have executive sponsorship to get all our program sites to reach our goals, and we're meeting with senior leaders quarterly to ensure we are continually moving forward," Vosicky concluded.

FEATURE STORY

Celebrating Our 2021 Excellence in EHS Award Winners

Every year, we commend facilities that have made significant progress in the area of environmental, health and safety (EHS). In 2021, four Sherwin-Williams sites were recognized with our 2021 Excellence in EHS Award for their contributions to the Company's lowest recordable injuries case rate in our history.

Excellence in EHS Award: Elkhart, Indiana

At the Sherwin-Williams site in Elkhart, Indiana, employees have embraced fun activities like the Spill Scavenger Hunt Safety Olympics, to take a proactive approach to safety. Emphasizing spill safety has led to an 80% reduction in hose-burst failure and a 46% reduction in spills compared with 2020. The 88,000-square-foot site has been recordable-injury-free for more than two years.

Cross-Functional EHS Ownership: Bangalore, India

In addition to regular EHS training programs, employees at the Sherwin-Williams site in Bangalore, India, used several safety campaigns to ensure awareness of general health and safety measures in 2021. They were recognized for the cross-functional ownership of EHS priorities that has led to four years injury-free. The site EHS committee sought to foster its safety culture through accountability, as well as engagement activities for employees and their family members. Focus topics included hand injury prevention, National Safety Week, World Environment Day and a process safety campaign.

Excellence in EHS – Most Improved: Brodziszewo, Poland

Engagement is the name of the game at the Brodziszewo, Poland, site. From regular leadership tours of the facility to monthly safety committee meetings and financial bonuses for team members who submit safety suggestions, employees at the facility have made safety part of the culture. As a result, the site has gone more than three years without a recordable incident. Other improvements include solvent containment solutions, ergonomic updates and material storage changes.

Most Improved EHS Site – Honorable Mention: Andover, Kansas

In 2021, the Andover, Kansas, facility received Honorable Mention for the Most Improved EHS Site after consecutive years of sustained improvement. The Andover team experienced 100% employee participation in an Employee Engagement Challenge and improved in nearly every site safety metric. By targeting a packaging process that created significant ergonomic risk, the team eliminated seven repetitive steps and reduced waste. They did this important work and more – all while improving engagement and reducing turnover.

A Focus on Fleet Safety

Each year, Sherwin-Williams drivers traverse millions of miles to bring paint and coatings from manufacturing and distribution centers to our stores and customers. In 2021, our fleet recorded nearly 82.8 million miles and we continued to see year-over-year improvement in our safety performance. Some of the efforts taken to achieve improvements in our safety performance include the use of wireless cameras and a new onboard computer logging device that helps to coach drivers and monitor incidents – both in real time and after the fact. Within the Global Supply Chain (GSC) division, the Driver Safety Committee is encouraged to highlight issues and provide solutions. At least one driver represents each distribution center on the committee.

The Americas Group (TAG) also continues to benefit from an increased safety focus, with TAG's 2021 CMV DOT Recordable Accident Rate improving over the 2020 rate.

Across both GSC and TAG fleets, offering support to new team members remained a focus. We have 20 Driver Training & Support Specialists (DTSS), who onboard new delivery drivers, complete quarterly safety trainings/compliance audits and participate in annual ride-alongs. Additionally, our safety course titled T.I.M.E. (**T**rack the traffic. **I**nsert a buffer. Check **M**irrors. **E**liminate Distractions) teaches drivers to keep space in front of their vehicle to allow time for defensive driving and emphasizes the importance of removing all distractions. It is important for newly hired drivers to receive hands-on safety training from the beginning. The DTSS team has helped reduce the number of preventable accidents and improved the Company's DOT CSA safety rating by championing a culture of safety.

Inclusion, Diversity and Equity

Advancing Our Culture of Inclusion, Diversity and Equity

For more than 155 years, the ingenuity, passions and talents of our people have served as the foundation for our success. Our belief that all employees deserve to feel valued and accepted for who they are and the unique perspective they bring to the workforce and workplace is crucial to our people-centered culture.

We foster a culture where differences are welcomed, appreciated and celebrated to positively impact our people and business. Reflected in our Code of Conduct and reinforced through our actions, training and mindset, fostering an inclusive culture is a moral and business imperative. We intentionally lead with inclusion to highlight our commitment to embracing and leveraging the diversity of our global workforce.

Throughout 2021, we challenged ourselves, as individuals and as a global enterprise, to advance our culture of inclusion, diversity and equity (ID&E). Our commitment to ongoing progress is part of our vision to create a culture of belonging for everyone.

Commitment from the Top

Our Chairman and Chief Executive Officer signed on to the CEO Action for Diversity & Inclusion™ commitment in 2018, joining a coalition of more than 1,400 executives pledging to take action to cultivate environments where diverse experiences and perspectives are welcomed, and where employees feel comfortable and encouraged to discuss ID&E. Leadership teams across our organization have embraced this responsibility by committing to continuous learning, engaging in open dialogue and serving as visible, vocal champions.

ID&E Strategy: Forging Ahead on Our Path to Sustainable Growth

To achieve our ID&E goals, we are following a strategy represented by building blocks designed to shape our approach for sustainable growth across the Company. While we are advancing each focus area simultaneously, each block builds on another. The entire structure is built on the foundation of a strong commitment from leadership.

The Office of Inclusion, Diversity and Equity leads our global strategy by establishing goals and developing initiatives to embed ID&E throughout our culture and business. Additionally, our groups and divisions support ID&E goals through division-specific action plans.

The following goals were established to advance ID&E within Sherwin-Williams:

Our ID&E Goals

ATTRACT AND RETAIN MORE UNDERREPRESENTED GROUPS INTO THE TALENT PIPELINE

INCREASE THE NUMBER OF UNDERREPRESENTED GROUPS IN LEADERSHIP ROLES

DRIVE EMPLOYEE ENGAGEMENT

FOSTER ECONOMIC INCLUSION FOR UNDERREPRESENTED SUPPLIERS

In 2021, we achieved meaningful progress toward each goal. Highlights include:

- Partnered with more than 60 organizations, including 16 Historically Black Colleges and Universities (HBCUs) and over 40 Hispanic-Serving Institutions (HSIs), to attract women, underrepresented racial/ethnic groups, individuals with disabilities and veterans into the talent pipeline
- Collaborated with the City of Cleveland, the City of Brecksville, community leaders and trade partners to positively impact the Northeast Ohio economy by providing workforce opportunities for the community, including awarding contracts to minority-owned, woman-owned and small businesses as part of our Building Our Future project. For more information, visit the ID&E page on buildingourfuture.com.

While we are proud of our continued progress, we recognize we are on a journey. Our ID&E strategy reflects our long-term commitment to fostering an empowering and welcoming culture.

Advancing an Equitable, Inclusive Culture

We rely on quantitative and qualitative data to ensure we are making good on our promise to foster a culture of inclusion. We regularly review our progress to evaluate current strategies and initiatives and adjust when necessary. Sherwin-Williams strives to increase underrepresented groups in leadership roles through intentional talent planning at all levels because representation matters.

In 2021, we hosted a global women's summit designed to empower, inspire and support all employees. Kerrii Anderson, a member of our Board of Directors, served as the keynote speaker in a session hosted by Heidi Petz, then leader of The Americas Group (TAG) and now the Company's President and Chief Operating Officer.

As we continue our ID&E journey, we are striving to achieve our 2025 goals:

- Increasing women in management roles to 30% by 2025, compared with a 26% baseline in 2020
- Increasing underrepresented racial/ethnic groups in U.S. management roles to 30% by 2025, compared with a 26% baseline in 2020
- Achieving and improving upon a favorable Sherwin-Williams Inclusion Index score, based on results of our global employee engagement survey

In 2022, we are focused on driving allyship and empathy through the continued rollout of Conscious Inclusion training modules, finalizing our enhanced supplier diversity strategy and elevating the visibility and prominence of our Employee Resource Groups (ERGs).

Measuring the Art and Science of Creating a Culture for Everyone

Our 2021 global employee engagement survey included a subset of questions designed to quantify our global workforce's level of agreement with statements on key dimensions of inclusion, including physiological safety, trust, belonging and diversity. The results were analyzed by a third party and reported as a favorable score for the Sherwin-Williams Inclusion Index.

While our score serves as affirmation of our efforts to foster an inclusive culture, we regard it as an opportunity for continuous improvement. As reflected in our 2025 ID&E goals, we are committed to ongoing progress as we continue our ID&E journey.

2021 Workforce Diversity Data

Total workforce

35%
UNDERREPRESENTED RACIAL/ETHNIC GROUPS (U.S.)

25%
WOMEN IN WORKFORCE (GLOBAL)

Management level

28%
UNDERREPRESENTED RACIAL/ETHNIC GROUPS IN MANAGEMENT (U.S.)

26%
WOMEN IN MANAGEMENT (GLOBAL)

ID&E Training & Education: Fostering Empathy Through Shared Understanding

Our ID&E development programming is aimed at educating and amplifying diverse voices that reflect the Company's global workforce. We have hosted Conscious Inclusion trainings with our leaders to encourage ongoing understanding of, and practical tools to mitigate, the daily impacts of unconscious bias. To date, 100% of our senior leaders have attended an ID&E learning session, and we continue to cascade training opportunities through all levels of the organization.

Our commitment to cultivating a genuine sense of belonging encompasses our interactions with all stakeholders. In 2021, we prioritized increasing awareness and understanding of our ID&E efforts within our stores. All Company-operated stores were provided signage that conveys – in multiple languages – our commitment to ensuring a safe, welcoming environment for all. In addition, we piloted employee training focused on inclusive conversations with customers.

As part of our ongoing efforts to deepen employee understanding of and engagement with ID&E, additional training modules focused on fostering a culture of inclusion and belonging, managing bias, understanding equity and inclusive allyship are being rolled out in 2022.

Heidi Petz Promoted to TAG President in 2021, Elected Company President and COO in 2022

In early 2022, Heidi Petz, a champion and visible supporter of our ID&E efforts, was elected to serve as the Company's President and Chief Operating Officer, effective March 1. The appointment marked her second significant promotion in as many years, as she was promoted to President of The Americas Group (TAG) in March 2021. She has held numerous key leadership positions since joining Sherwin-Williams through the acquisition of The Valspar Corporation in June 2017.

"Heidi is a tireless advocate for our employees, including our commitment to professional growth, engagement, and inclusion, diversity and equity," said Chairman and CEO John Morikis.

Elevating the Diverse Voices of Our People

Our close-knit culture often functions as a supportive family. We succeed together. We learn together. We grow together. This interdependent relationship is best exemplified within our Employee Resource Groups (ERGs). These employee-led networks serve as a hub for communication, professional development and community involvement activities.

ERGs are voluntary, employee-led networks organized around a shared underrepresented demographic or unique experience in the workplace. ERGs bring together employees from various groups, divisions and functional teams to foster more inclusive workplaces and create greater synergy around business objectives. In addition to building connections, employees engaged in one (or more) of the Company's ERGs are exposed to tools and mentorship opportunities that enable them to thrive and find long-term success at Sherwin-Williams.

Our ERGs are as diverse as our people and are open to everyone. ERGs represent various groups, including African American, Hispanic/Latinx, LGBTQ+, active military and veterans, multicultural and women.

As membership in our more than 200 ERG chapters continues to increase, so has their impact in cultivating a shared sense of belonging among employees across our global footprint. For example, Hispanic Organization for Leadership Advancement (HOLA), our Hispanic ERG, continues to expand its reach, with increased participation from employees in the Latin American Division of The Americas Group (TAG).

As part of ongoing efforts to champion and embed the Company's ID&E actions and initiatives across our global workforce, our EMEAI (Europe, The Middle East, Africa and India) ID&E Council and Ambassador Network hosted a week of interactive programming in April 2021. The employee-led sessions incorporated the region's most prevalent dimensions of diversity and were designed to raise awareness and promote understanding of neurodiversity, women in leadership, and mental health and wellness. Within the Asia-Pacific region, Conscious Inclusion trainings helped employees recognize their personal biases and their potential impact on creating a welcoming culture for all.

Fostering Economic Inclusion for Underrepresented Suppliers

Our efforts to foster inclusion and promote unique backgrounds, experiences and diversity of thought extend to our supply chain and partners. We are committed to providing opportunities for all qualified businesses, including minority-owned, woman-owned, LGTBQ+-owned, veteran-owned and small businesses.

We are focused on strengthening partnerships to support diverse businesses and have participated in programs to increase understanding of how to apply to join our supplier network. For example, in September 2021, we partnered with the Urban League of Cleveland to host a workshop on how to do business with Sherwin-Williams.

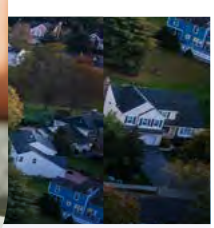
Our efforts to strengthen the underrepresented populations we serve in Northeast Ohio extends through the Company's Building Our Future (BOF) project, which includes construction of our new global headquarters in downtown Cleveland and the new Research and Development Center in nearby Brecksville, Ohio.

Since the BOF project was launched in 2020, Sherwin-Williams has gathered feedback from the City of Cleveland, City of Brecksville, community leaders, faith-based leaders and other key stakeholders on opportunities to engage and support underrepresented residents and suppliers.

In September 2021, the Company announced five firms that have been selected for the minority construction management role for the BOF project. All are based in Northeast Ohio and are either woman-owned or minority-owned. Four of the five firms will also provide skilled trades employees to perform activities such as carpentry, millwork and painting. As of April 2022, we have nearly 40 minority-owned, woman-owned and Cleveland-based small businesses involved in the project, with contracts in the millions of dollars. Diverse participation is expected to grow as the project progresses.

In 2022, we will advance our commitment to the BOF project through formal partnerships and collaboration with underrepresented communities in Cleveland and throughout Northeast Ohio. For more information, visit buildingourfuture.com.

FEATURE STORY



Developing a Future of Greatness with the African American Network

Sherwin-Williams continues to build a culture of Conscious Inclusion through our ERGs. The African American Network's (AAN) mission is to provide meaningful leadership and professional networking opportunities at all levels of the organization, while attracting, developing, retaining and progressing talent.

In 2021, the AAN launched a bimonthly professional development series for employees to strengthen leadership skills, share best practices and help peers meet their professional goals. In celebration of Black History Month, the series began in February and continued through November.

Yentil Rawlinson, Sherwin-Williams Vice President of Inclusion, Diversity and Equity, spoke to the value this opportunity brought to the entire organization. "One of my favorite things is that this series supports the Company goal of getting underrepresented groups into elevated roles," she said. "It helps employees build those important skills that are necessary for the next step in their careers and is such a value-add to Sherwin-Williams."

Open to all employees, each continuous learning session garnered more than 200 participants, with the largest event having nearly 400 employees in attendance. "We saw participants from all levels – from individual contributors all the way to vice presidents," Rawlinson explained. "We find that the demand is there for enterprise-wide events such as this, and some employees even partake as a group – so it brings people together."

Eric Easter, Sherwin-Williams Corporate IT Senior Business Analyst and Chairman of the Corporate AAN, reflected on what it was like to be a speaker during the *Mastering the Behavioral Interview* session. "Presenting during this series was an honor for me," he said.

There is more on the horizon for AAN and the professional development series in 2022. The group plans to build on the momentum and continue growing the events. "Our goal is to reach more people, more audiences and more learning opportunities," Rawlinson concluded. Easter shared similar sentiments about the future. "My wish is that the tools and advice we are providing the next generation of leaders are useful in their quest for greatness," he added.

FEATURE STORY

Continued Recognition of Our Welcoming Culture

We are proud to continue to receive third-party recognition for our efforts to foster an inclusive culture that strives to empower us all to bring our authentic selves to work.

Sherwin-Williams was recognized as a *Forbes*® 2021 World's Best Employer. The distinction, a first for the Company, builds on the following category-specific recognition we continue to receive annually from the publication:

- America's Best Employers for Diversity (third time)
- America's Best Employers for Women (third time)
- America's Best Employers for New Grads (third time)
- America's Best Employers for Veterans (second time)

In 2021, Sherwin-Williams also ranked 163rd in the *Fortune*® Measure Up initiative, an inaugural ranking of the most progressive companies in diversity and inclusion.

In addition, the Company earned a perfect score in the Human Rights Campaign Foundation's 2022 Corporate Equality Index, the nation's foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality.

FEATURE STORY

Sherwin-Williams PrideWorks Parent Panel Promotes Allyship

The Sherwin-Williams PrideWorks Employee Resource Group (ERG) provides an environment that is specific to seeing, celebrating and advancing LGBTQ+ professional and personal growth. In 2021, Sherwin-Williams PrideWorks hosted a virtual session featuring three parents and their stories of how they support their LGBTQ+ children and their coming-out journeys. The candid conversation reinforced the importance of allyship and included resources related to understanding pronouns and guidance on how to use them to promote inclusivity.

"We hosted this panel to commemorate Transgender Awareness Week and Anti-Bullying Week," said Chris Horlacher, Sherwin-Williams Creative Director, Consumer Brands Group and President of Sherwin-Williams PrideWorks. The rising statistics for LGBTQ+ hate crimes and teen suicides drove the ERG officers to discuss how they could create an open dialogue of support within the Company.

"We asked ourselves what a good way would be to communicate the importance of empathy and acceptance in the hopes of educating people," Horlacher explained. "We wanted to try something a little different. Our parents are our strongest advocates and biggest allies – giving parents a platform to discuss and share their personal success stories in a comfortable space was the perfect teaching opportunity."

Panelists weighed in on what it meant to participate in the virtual event. "It was amazing to hear the parents' heartfelt stories – and share our own – with such an engaged audience," said John Gravante, Sherwin-Williams Vice President of Operations – Powder, Global Supply Chain.

Similar sentiments came from Bonnie Heinsohn, Sherwin-Williams Senior Director of Marketing Communications, Consumer Brands Group. "Hearing others' journeys gave me a bigger, better understanding of what others are going through – and that in turn makes me a better ally, a better advocate," she said.

More than 100 people attended the event, and the panelists answered questions about a variety of topics including obstacles, triumphs and the important role parents and family play in the lives of the LGBTQ+ community. "It was an uplifting and educational presentation, with truly commendable parents who shared honest and endearing perspectives," Horlacher concluded. "This platform helped teach the importance of empathy, compassion and inclusion through the familiar eyes of mom and dad."

Talent Acquisition and Employee Engagement

Our Integrated Talent Management Strategy

Through our integrated talent management strategy, we strive to attract, retain, develop and progress a workforce that embraces our inclusive culture and reflects our diversity efforts.

The strategy connects major milestones in the employee journey, from the first candidate touchpoint through a career path at the Company. It includes the following Centers of Expertise:

- Talent Acquisition
- Onboarding
- Performance Management
- Leadership and Management Development
- Succession and Career Progression
- Workforce Analytics and Engagement

This ecosystem is supported by our commitment to employee engagement and inclusion, diversity and equity, a strong human resources information technology governance structure and workforce initiatives.

Engaging and Empowering Our Employees

We lead with our focus on engaging and retaining our employees because highly engaged employees are tremendous assets who create exceptional experiences for our customers. Our commitment to our employees is reflected in our people-centered culture, favorable engagement scores and the continued evolution of our Total Rewards programs.

Talent Acquisition
Onboarding
Performance Management
Leadership & Management Development
Succession & Career Progression
INTEGRATED TALENT MANAGEMENT
EMPLOYEE ENGAGEMENT · HRIT GOVERNANCE · DIVERSITY & INCLUSION · WORKFORCE ANALYTICS

Nurturing Our Talent

We believe in careers that grow with our employees and spark new opportunities. We set high expectations for – and take care to measure and reward – the achievement of challenging goals.

Our diverse career paths are designed to enable all employees to create a career uniquely meaningful to them – we inspire our employees to "let your colors show." We encourage everyone to share their career aspirations within our development portal so that we can help them align their goals with required competencies, identify potential gaps and create an aligned development plan.

Our promote-from-within culture is supported by robust, disciplined succession plans aligned with cohort-specific development opportunities to ensure we are continuously preparing our next generation of leaders. The curriculum aligns with key leadership milestones within the Company, and includes specific programming for emerging leaders, managers preparing for a director role and more.

~20%
OF VICE PRESIDENT PROMOTIONS IN 2021 IDENTIFY AS MEMBERS OF AN UNDERREPRESENTED RACIAL/ETHNIC GROUP

27.5%
OF MANAGEMENT TRAINEES IDENTIFY AS MEMBERS OF AN UNDERREPRESENTED RACIAL/ETHNIC GROUP

1 in 3
MANAGEMENT TRAINEES IDENTIFIES AS A WOMAN

43%
OF NEWLY APPOINTED VICE PRESIDENTS OVER THE LAST TWO YEARS IDENTIFY AS WOMEN

~7,000
EMPLOYEES HAVE 20+ YEARS OF EXPERIENCE

Measuring Employee Engagement

We collaborated with a third party in 2021 to conduct our global engagement survey. Our goal was to leverage the voice of our employees and quantify our progress toward creating an inclusive culture that empowers everyone to learn, grow and achieve their career aspirations.

We convened an engagement and analytics steering committee comprised of representatives from all divisions, business functions and regions to design the survey and encourage employee participation. We earned a favorable engagement score of 77%, which serves as an affirmation of our existing efforts. The 2021 survey, which was administered by a third party, established a baseline for our overall engagement score as well as associated metrics. We are committed to using the results to drive continued progress. Going forward, we will continue our regular cadence of pulse surveys and plan to conduct the global engagement survey every two years.

2021 Engagement Survey Highlights

The following results from our global employee engagement survey reflect our efforts to foster an inclusive, supportive culture.

- **"Managers treat our employees with dignity and respect."**
  90% favorable response
- **"Sherwin's a safe place to work."**
  85% favorable response
- **"I can be myself at Sherwin-Williams."**
  80% favorable response
- **"I'd recommend Sherwin-Williams as a place to work."**
  80% favorable response

Talent Attraction Strategy Supports Company Growth

We pride ourselves on being an employer of choice. Our talent acquisition team supports our Company's growth strategy by identifying candidates with the experience and unique skills to contribute to our proud legacy.

Beginning in 2020 and continuing throughout 2021, we pivoted from traditional recruitment methods to digital solutions, with a focus on improving the candidate experience and more efficiently filling open positions. For example, we have leveraged digital technology to create a 24-hour recruitment cycle for many retail roles, allowing candidates to apply online for an available position, record a video interview and be screened for consideration by the hiring manager within a few hours. Our commitment to create a more engaging, robust candidate experience online has enabled us to better connect with prospective employees, increase our visibility and expand our potential reach.

Infusing Diversity into Our Talent Pipeline

Sherwin-Williams partners with a variety of colleges and universities, including Historically Black Colleges and Universities (HBCUs) and members of the Hispanic Association of Colleges and Universities (HACUs). In 2021, we participated in roundtables during the HACU annual conference and invested in four scholarships, which were distributed in early 2022.

We also partner with organizations like Prospanica, the Association of Hispanic Master of Business Administrations (MBAs) and Business Professionals, as well as the National Black MBA Association, to help ensure diverse candidate slates when seeking to fill a director position or above with external talent. These partnerships and our early talent training programs play a critical role in our ability to attract diverse, innovative, passionate and qualified employees with the skills and experience needed to help us today and the desire to grow and tackle future opportunities.

Rewarding Our Employees

Sherwin-Williams cares about all aspects of employee well-being, including the social, emotional, physical and financial welfare of our employees. Our Total Rewards programs are designed to offer competitive compensation, comprehensive benefits and other programs to support employees' growth – personally and professionally – and the diverse needs and well-being of our employees worldwide.

Total Rewards benefits are evaluated on an ongoing basis to help ensure we support the evolving needs of our global workforce. As part of our ongoing commitment to support employee well-being, an additional day of paid time off was announced in 2021 and rolled out in 2022 to all full-time, salaried employees in the U.S. Designated a personal day of observance, eligible employees are encouraged to use the time to recognize an occasion personally meaningful to them or to perform self-care. The guidelines are intentionally broad to accommodate and celebrate our differences.

FEATURE STORY

Transition Programs for Veterans Help Grow Our Talented Team

Hiring Our Heroes® (HOH) is a federal program that connects military community job seekers with U.S.-based businesses, providing economic benefit to veterans and their families. For Sherwin-Williams, HOH offers a pipeline to accomplished, qualified candidates with unique backgrounds and experiences to fill various positions. This helps those who have served avoid unemployment/underemployment and increases veteran representation in the U.S. workforce.

Zack Melnick, Sherwin-Williams Seattle District City Manager, has made hiring veterans a priority. Inspired by a store manager whose husband was a veteran, Melnick reached out to a transition office at one of the Army bases near the Seattle district.

"There are many transition programs, but this one seemed like the best opportunity for our Company – it's pretty amazing to watch the team learn from the veterans in terms of professionalism, leadership and personal interaction," Melnick added. "Long term, bringing individuals on board who have all those soft skills is invaluable. The perspective they have is something that can't be replaced."

Sam Armer is a veteran who completed the 13-week Sherwin-Williams corporate fellowship and then applied for an open full-time position. Now, he is Sherwin-Williams Branch Operations Manager for the Olympia-Lacey commercial store in the Seattle District.

Armer enlisted in the Army after high school and spent his early deployments in places such as Kosovo, Iraq and Afghanistan developing programs to create stability in war-torn regions. In his last deployment, Armer developed a precision targeting certification program at the Army Multi-Domain Targeting Center and achieved the Army's first full accreditation from the National Geospatial Intelligence Agency.

"At the age of 18, going to a developing region and seeing extreme poverty put things into perspective for a young adult," the veteran said. "We were helping people, and we were problem-solving. We built schools, created women's literacy programs and worked with agricultural companies to supply seeds that would grow in the local climate."

The tools and techniques he and his team developed are still being used today.

"There's a wide spectrum of veterans from different career fields, but they all have real-world experience, where the consequences of actions are really heavy," Armer said. "And I think veterans bring a lot of those skills – attention to detail, problem-solving skills, an understanding of processes and procedures, and management and leadership skills. Inspiring people is the same, whether you're talking to a soldier or talking to employees about daily safety procedures."

The experiences and skills veterans like Armer bring to our Company make us proud to once again be honored by *Forbes*® Magazine as one of America's Best Employers for Veterans for 2021. We recognize the responsibility to create a great place to work for those who have sacrificed so much. Sherwin-Williams will continue partnering with transition programs, including HOH, to fill the talent pipeline with veterans for other jobs in stores, offices and manufacturing and distribution facilities across the U.S.

Community Engagement

Our Strategy to Inspire Change

Giving back is a part of our proud Company legacy. Our community engagement efforts include an intentional focus on supporting causes and charitable organizations important to our employees and are targeted where we can have the greatest impact.

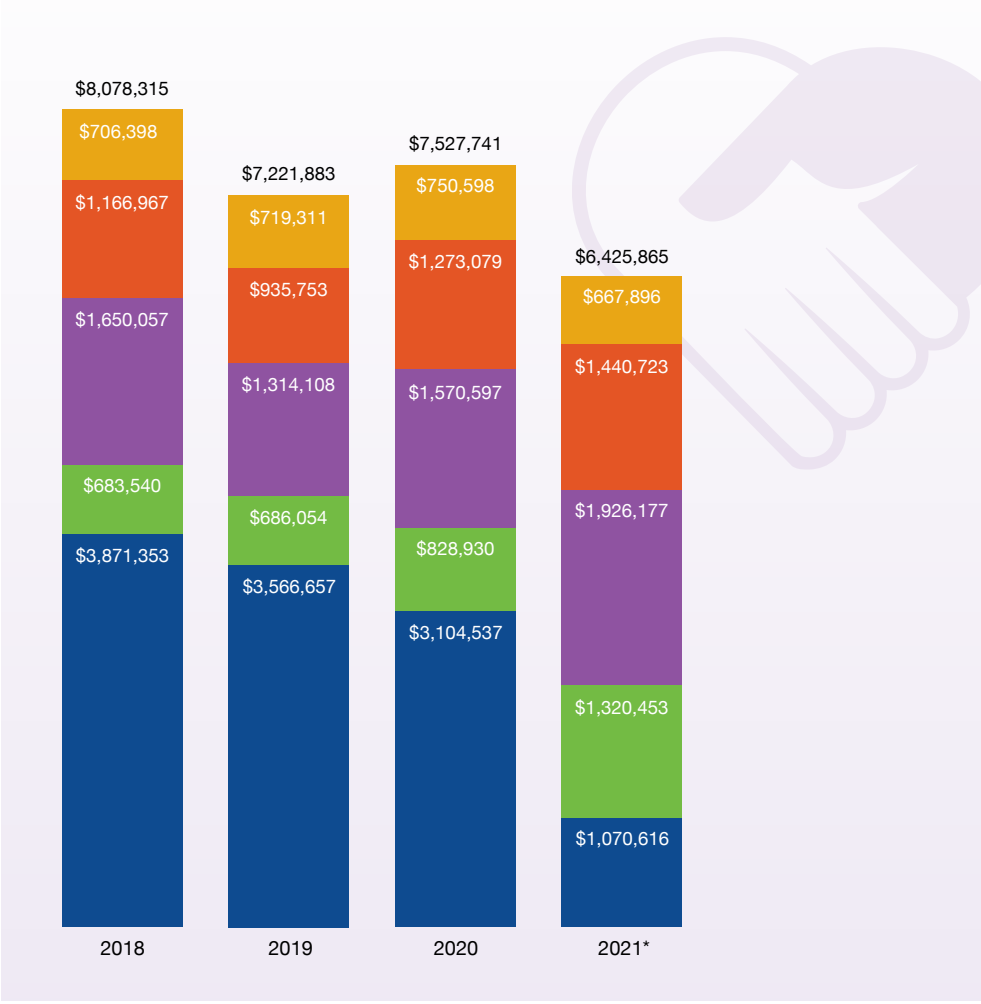
Led by The Sherwin-Williams Foundation, our charitable giving is accomplished through strategic affiliations with key community partners. We prioritize support for efforts seeking to create sustainable impact in the following focus areas:

- Access to safe and healthy housing;
- Advancing a skilled workforce that sustains inclusive, vibrant communities; and
- Beautifying and preserving assets around the world.

Amplifying and supporting causes most important to our employees remains a hallmark of our giving philosophy. The Foundation is proud to make significant investments in matching gifts, as well as provide tools to ensure our employees can easily connect with and support those causes most important to them. In 2021, we expanded this program to include all The Americas Group (TAG) division offices, empowering hundreds of additional employees to participate and maximize their impact. Sherwin-Williams also supports employee giving by covering all administrative fees associated with donations made through our online giving platform.

2021 Community Giving Data

- The Sherwin-Williams Foundation matches employee contributions to qualifying nonprofit organizations. Each year, The Foundation supports hundreds of organizations that are most important to our employees.
- Supporting the communities where we live and work has always been an important part of how we do business. Across the U.S., employees help strengthen their communities by serving on more than 120 nonprofit boards.
- In 2021, employees gave to more than 1,300 nonprofit organizations.



** 2021 operating divisions in-kind giving decreased as compared with previous years due to supply chain challenges.*

FEATURE STORY

Painting a Future of Opportunity with HomeWork Program

Paint can be a catalyst for enrichment; beautifying a home and brightening up a community are just a few examples of the impact it can have. One way that Sherwin-Williams uses paint for enrichment is through the HomeWork painter training program. This five-day training series teaches under-served individuals seeking employment how to paint in a commercial environment.

The program consists of both classroom time and real-world painting application practice. Those who complete the class earn a certificate under the U.S. Environmental Protection Agency (EPA) Renovation, Repair and Painting program. Since the HomeWork program's launch in 2004, nearly 8,000 adult students have successfully completed it, with more than 500 classes held throughout the United States by the end of 2021.

Shortly before his retirement from Sherwin-Williams in 2003, Al Blanchard, former Sherwin-Williams Director of National Accounts and Architectural Services, helped develop the program and he has remained an active force in continuing to grow its success. "The program came at a time nearly two decades ago when the painting industry was really hurting for help," Blanchard said. "We're proud to say we now have a 67% hiring rate, with many people finding jobs with local housing authorities, painting contractors and construction companies."

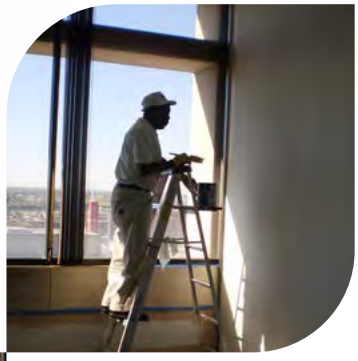
Class instructors are Sherwin-Williams retirees who teach in their spare time. "The benefit to the HomeWork students isn't just the skills they learn, but also the teamwork, self-confidence and communication skills," said Tom Norman, long-time HomeWork instructor.

The volunteer instructor reflected on a memorable student he once had in class, whose life trajectory was changed by enrolling in the program. "He had just been released from prison and wasn't feeling positive about his future," Norman said. "After attending and graduating from the HomeWork program, the student had a totally different outlook on life. I learned later that he had found a job painting and that his life had been changed for the better."

"Most of the students that enroll in the HomeWork program don't know each other at the beginning of the class; however, by the end of the five days, they develop friendships and some even find themselves working alongside each other afterward," Norman added. "The lasting impact creates a brighter future for the students and their communities."

Blanchard reflected on what is on the horizon for the painting course in 2022 and beyond. "As we begin the 19th year of our HomeWork Painter Training program, our goal is to continue to be an industry leader," he said. "Our key objective has always been to provide skills for the trainees to be placed in employment. We look forward to continuing to drive home this mission while creating employment opportunities in our communities for years to come."

SHERWIN-WILLIAMS
Home Work



Our Commitment in Action

Our local teams are empowered to provide product and talent to help preserve and beautify community assets and support neighbors throughout our footprint. Our Employee Resource Groups (ERGs) remain a driving force behind our community engagement efforts. In 2021, we shared best practices and resources to support ERGs in aligning their talents to make a positive difference, including:

- Our Chicago African American ERG organized its second-annual supply drive for the homeless by collecting toiletry donations, accounting for more than $2,500 from 20+ Sherwin-Williams stores and offices.
- The Sherwin-Williams PrideWorks ERG leveraged the Company's online giving platform and The Sherwin-Williams Foundation's matching gifts program to raise more than $5,000 for The Trevor Project, the world's largest suicide prevention and crisis intervention organization for LGBTQ+ young people.
- Our Women's Club transitioned its 5K Run and 1-Mile Walk & Roll event to a virtual format for the second consecutive year and raised more than $70,000 for Youth Challenge, a Northeast Ohio nonprofit that brings together young people with physical disabilities and teen volunteers who inspire each other through adapted sports, recreation and social growth activities.

STATESVILLE MANUFACTURING HOSTS KINDNESS CHALLENGE

In November 2021, our Statesville, North Carolina, manufacturing site completed a monthlong Acts of Kindness Challenge. The challenge, which included collecting donations of food, water and hand sanitizer as well as service, led to 941 acts of kindness in support of the site's surrounding communities. All donations were provided to Fifth Street Ministries, a nonprofit organization that serves the area's homeless, impoverished and working poor.

Supporting Our Employees When They Need It Most

When disaster strikes, we respond. Following Hurricane Ida in Louisiana in late August 2021, employees raised approximately $25,000 through the Company's Employee Relief Fund. These funds were distributed to 80 impacted colleagues.

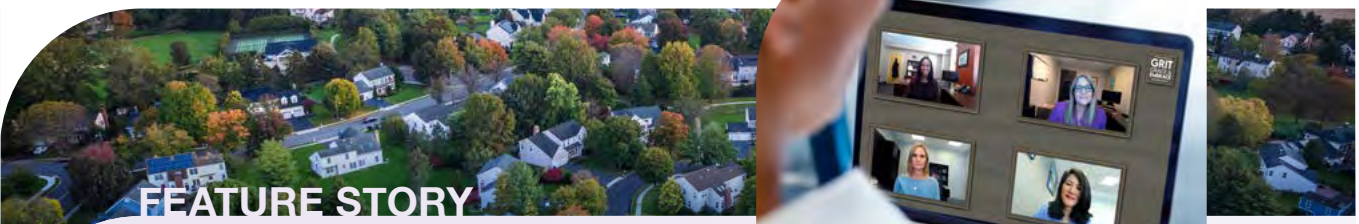
Similarly, employees responded with monetary and food donations when the Fund was activated again in December 2021, following the destructive string of tornados that touched down in Kentucky and neighboring states.

SALES REP OF THE YEAR MENTORS AT-RISK YOUTH

Loren Wilder, Sherwin-Williams Branch Manager, The Americas Group, in Decatur, Georgia, remembers the profound impact his first mentor – his high school football coach – had on his life as a homeless teen in Springfield, Massachusetts. Now, the two-time East Coast Sales Rep of the Year is driven to pay it forward, striving to have a similar impact on others.

Wilder, who has been with the Company for more than 10 years, serves as a trusted mentor to fellow employees and at-risk youth. At one point, he was volunteering with nine organizations at a time. Today, he's narrowed his engagements while still passionately supporting efforts to empower children and young people.

Active within the Company, Wilder assists with college recruiting and serves as the Employee Resource Group leader for Hispanic recruiting, an onboarding trainer for new employee training and a Safety Pod Leader. In addition, he mentors several part-time employees and store managers, assisting with interviewing skills and encouraging them to reach their goals.



FEATURE STORY

Women's Club Hosts First-Ever Global Summit

The 110-year-old Sherwin-Williams Women's Club (SWWC) took its mission global in 2021 with a virtual, worldwide Women's Summit in June. The event's theme, *Grit, Grace and Embrace,* was chosen to spark inspiration during a time of uncertainty in the world, and to embrace a common theme of empowerment. All 61,000+ employees were invited to attend three sessions over as many days, with additional networking and Q&A opportunities available to registered SWWC members.

The SWWC planning committee set meaningful goals for the event, including increasing retention and engagement of women within the organization, driving cross-divisional exposure, showcasing leadership commitment to inclusion, diversity and equity, and promoting career advancement. Topics presented during the sessions were "Bringing Your Whole Self to Work" and "Being an Ally to Women." Keynote speakers included Kerrii Anderson, former Chief Executive Officer and President of Wendy's International, Inc., who serves on the Sherwin-Williams Board of Directors, and Heidi Petz, who at the time was serving as the first female President of The Americas Group and in 2022 became the Company's first female President and Chief Operating Officer.

Dani Neumann, Sherwin-Williams Product Manager, Exterior Woodcare, Consumer Brands Group and 2021 SWWC President, spoke about the importance of offering this event on a global scale. "Extending these important messages to a global audience was a key piece of delivering on the purpose of the event," she explained. "Making this a virtual event enabled us to break down geographical barriers through the use of technology."

The event drew nearly 3,000 participants globally throughout the organization, and the content was offered in 10 different languages. "Planning an event of this magnitude required many individuals to get involved and share their unique talents and skills to bring together a seamless experience," Neumann said.

Based on the positive feedback received, the event was not only a major win for the Club, but it also delivered on its purpose and goal. "I hope that anyone who attended walked away from this experience with a better understanding of how to advocate for themselves and others, with a sense of empowerment," Neumann concluded. "Being part of the Club has empowered me to be my best self, and the members continue to inspire me with their grit, grace and ability to embrace."

FEATURE STORY

Different Countries, Same Calling: Two Employees Serve as Volunteer First Responders

In 2021, the Company witnessed two similar and equally impressive employee stories of community service emerge from opposite sides of the globe. Aaron Kavanagh, Sherwin-Williams Customer Service Supervisor, Performance Coatings Group, in Dublin, Ireland, works as an emergency first responder in his spare time, and Chris Locke, Sherwin-Williams Sales Service Representative, Consumer Brands Group, in Davidson, North Carolina, is a volunteer firefighter. Both employees have served in their respective volunteer callings for nearly five years.

Kavanagh clocks more than 1,000 hours of donated time with the Irish Red Cross each year. In Ireland, the Red Cross serves as a secondary emergency organization, working in tandem with the national ambulance service under the Department of Defense, often with the Red Cross' trained first aid volunteers arriving at the scene before an ambulance does.

"What many people do not realize is that a large number of hours and late nights are spent planning and coordinating behind the scenes," said Kavanagh, who serves in many roles with the humanitarian organization, including Emergency First Aid Responder, Cardiac First Response Instructor and Branch Treasurer. He also formerly served as a Unit Officer, where he inspired more than 20 members under his leadership and was responsible for ensuring volunteers were ready and available to respond to emergency calls.

Similarly, in the United States, Locke has held various positions throughout his time as a volunteer firefighter. "I have served in different roles within different departments. Currently, I am a captain at Sandy Bottom Fire and Rescue," he said. "What initially sparked my interest was seeing the team respond to a call at a neighbor's house. I put in an application the next week and the rest is history."

In July 2021, Locke and seven other firefighters on his team were presented with the SAVE Award by the State of North Carolina. This award is presented to firefighters who go above and beyond the call of duty to save a life; his team was specifically honored for tending to a serious mobile home fire and rescuing one of the occupants in April 2021.

For Kavanagh and Locke, helping the people in their communities motivates them to continue to serve. Kavanagh recounted some of the reasons he is so passionate about his service. "The work is very rewarding," he said. "We have seen people at their best and at their lowest – however, every call we answer helps someone, and that is why I joined the volunteer services."

Locke shared similar sentiments. "My biggest source of pride and what drives me is looking back and knowing that I have improved the lives of people in my community and that I have left it better than I found it," he concluded. "The biggest thing is finding something you're passionate about and using that to make a positive impact in your community."

Appendix

IN THIS SECTION:

SASB Index

TCFD Disclosures

Investor ESG Summary

The Sherwin-Williams Company – 2021 SASB Index

Accounting Metric

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2-e, Percentage (%)	RT-CH-110a.1	Scope 1 emissions were 354,397 metric tons of CO_2-e in 2021. Currently, no portion (0%) of our emissions is under emissions-limiting regulations. For further information about our emissions calculations and performance over time, please see page 20 of our 2021 Sustainability Report.
	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	RT-CH-110a.2	Please see page 20 of our 2021 Sustainability Report.
Air Quality	Air emissions for the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	RT-CH-120a.1	(1) In 2021, we emitted 3,515 tons of NOx. (2) In 2021, we emitted 212 tons of SOx. (3) Across our manufacturing and blending facilities, 1,879 tons of VOCs were emitted in 2021. (4) Sherwin-Williams is not a significant emitter of HAPs.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, and (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CH-130a.1	(1) In 2021, our total direct energy was 5.06 million gigajoules, our total indirect energy was 2.67 million gigajoules and total energy was 7.73 million gigajoules. (2) 47.2% of our total fuel consumption came from the electricity grid. (3) and (4) We do not currently use significant renewable or self-generated energy sources; however, we have committed to increase electricity from renewable sources to 50% of total electricity usage by 2030. For further information, please see pages 22-24 of our 2021 Sustainability Report.
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	RT-CH-140a.1	2021 water data will be published in our CDP Water Response in the late summer of 2022. In 2021: (1) Total water withdrawn: 3,785,000 m^3; (2) Water Consumption (On-site in Process or Product): 1,686,920 m^3; 0.99 m^3 per metric ton of production; percentage of water sourced from regions with High or Extremely High Baseline Water Stress: 19.5%.
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	RT-CH-140a.2	We had zero (0) incidents of non-compliance associated with water quality permits, standards and regulations in 2021.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	RT-CH-140a.23	Please see our 2020 CDP Water Response via www.cdp.net. Our 2021 CDP Water Response will be published in late summer of 2022.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-CH-150a.1	We generated 70,000 metric tons of hazardous waste in 2021. Of that, 39.6% was recycled or reused. For further information, please see pages 25-26 of our 2021 Sustainability Report.
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	n/a	RT-CH-210a.1	Please see our GRI content index disclosures 102-42, 102-43 and 102-44.

The Sherwin-Williams Company – 2021 SASB Index, continued

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	In 2021: 0.81 recordable case rate (total number of employees with recordable incidents per 200,000 hours worked); 0 fatalities for direct employees and contract employees. For further information, please see page 38 of our 2021 Sustainability Report.
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	n/a	RT-CH-320a.2	Please see the information regarding our global EHS management system here.
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	RT-CH-410a.1	We do not currently track this quantitative data given that the majority of the environmental impact of our products results from raw material extraction and not the use phase. Please see pages 30-32 of our 2021 Sustainability Report for information regarding the "sustainably advantaged products" in our portfolio.
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, Percentage (%)	RT-CH-410b.1	We are considering these metrics and they may be reported in future disclosures. Please see pages 38-39 of our 2021 Sustainability Report for further information.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and Analysis	n/a	RT-CH-410b.2	Please see pages 30-32 and 38 of our 2021 Sustainability Report for further information.
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	RT-CH-410c.1	None of our products contain genetically modified organisms (GMOs).
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	RT-CH-530a.1	Sherwin-Williams does not have a political action committee and does not use corporate funds to contribute to any federal, state or local candidates, political parties or other political committees. Our Government Affairs team facilitates Sherwin-Williams global participation in the public policy-making process, including with respect to issues that affect our employees, customers and business operations and objectives, as well as the paint and coatings industry in general. Please see our GRI content index disclosure 415-1.
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, Rate	RT-CH-540a.1	Please see pages 38-39 of our 2021 Sustainability Report for this information.
	Number of transport incidents	Quantitative	Number	RT-CH-5401.1	Please see pages 38-39 of our 2021 Sustainability Report for this information.

Activity Metric

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Production by reportable segment	Quantitative	Cubic meters (m^3) and/or metric tons (t)	RT-CH-000.A	Please see pages 6-13 of our 2021 Annual Report for information regarding our reportable segments.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report

Introduction

The Sherwin-Williams Company recognizes the importance of measuring and analyzing our carbon footprint and actively seeking ways to reduce our greenhouse gas emissions (GHG) and use our products and technology to help improve energy efficiency and reduce global carbon emissions. Sherwin-Williams has established related goals, tracks metrics and reports on its progress annually. In early 2021, we established our 2030 environmental footprint goals against a 2019 baseline.

We believe a summary of the global scope of our business is important in understanding our climate-related disclosures. Our business consists of three reportable segments:

- **The Americas Group** operates the exclusive outlets for Sherwin-Williams® branded paints, stains, supplies, equipment and floor covering in the United States, Canada and the Caribbean. The Group also manufactures and sells architectural paints, industrial coatings and related products in Latin America through Company stores, dedicated dealers and selected retailers. We have: Sherwin-Williams paint stores in the United States, Canada and the Caribbean, and in Brazil, Chile, Ecuador, Mexico and Uruguay; dedicated dealers, home centers, distributors and hardware stores in Argentina, Brazil, Chile, Ecuador, Mexico and Uruguay; and a licensee in El Salvador to serve Central America.
- **Consumer Brands Group** sells one of the industry's most recognized portfolios of branded and private-label products through retailers in North America, Europe and China. This Group has over 10,000 points of distribution with leading mass merchandisers, home centers, independent paint dealers, hardware stores, craft stores, fine art stores, automotive retailers and industrial distributors in the United States, Canada, Europe and China. The Group also operates a highly efficient global supply chain for paint, coatings and related products.
- **Performance Coatings Group** sells a broad range of coatings and finishing solutions to general industrial, industrial wood, protective and marine, automotive refinish, packaging and coil customers in more than 120 countries.

The information included in this report does not cover all information about our business and sustainability and ESG initiatives, including those relating to environmental and climate change-related risks. Please refer to other sections of our 2021 Sustainability Report, including the disclosure regarding forward-looking statements and other information, in addition to other information about our business and sustainability and ESG initiatives made available on or through our website.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Board of Directors' Oversight

Our sustainability and environmental, social and governance (ESG) framework is centered on a foundation of governance and ethics, with our governance structure designed to support broad engagement and appropriate oversight across the organization.

Our Board of Directors is responsible for overseeing the assessment and management of the Company's exposure to various risks. We have an enterprise risk management (ERM) process to identify, assess and manage the most significant risks facing us, including financial, operational, litigation, compliance, reputational and ESG risks. Management reviews significant risks with the board throughout the year, as necessary and appropriate, and conducts a formal review of the most significant risks with the board at least once per year.

Our board committees assist the board with this oversight responsibility by reviewing specific risk areas. The Audit Committee's support of the board includes overseeing the Company's ERM process and compliance with legal and regulatory requirements, including those that may be related to environmental and climate-related requirements. The Nominating and Corporate Governance Committee's support includes overseeing the Company's key environmental (including the impacts of climate change), product stewardship, health and safety, sustainability and corporate social responsibility policies and strategies. The Compensation and Management Development Committee's support includes overseeing the Company's key policies and strategies regarding the attraction, retention and development of talent, including inclusion, diversity and equity initiatives, as well as our Chief Executive Officer's annual performance evaluation, which includes a performance assessment category of ESG leadership that encompasses the development, integration and execution of ESG strategy and progress on ESG initiatives as part of the Company's overall business strategy.

Management periodically reviews our efforts and progress in these areas with the Committees, as well as the full board. Members of the Sherwin-Williams Global Sustainability team and Sustainability Steering Committee also periodically provide updates to the board regarding the Company's key ESG strategies, policies, programs and initiatives (including those relating to climate change).

Senior Management's Role

While our Board of Directors has oversight responsibility of management and various risks, the Company's management and their teams, under the direction of our Chief Executive Officer, are responsible for managing the business and day-to-day affairs of the Company. Management is responsible for identifying, assessing and managing the Company's exposure to various risks through the Company's ERM process. As part of this process, we prioritize the most significant risks and assign them to senior leaders based on their respective roles within the Company to assist with the ongoing management and monitoring of those risks. Our Senior Vice President – Finance and Chief Financial Officer provides centralized management oversight of the Sherwin-Williams ERM program.

In 2019, we formed a Sustainability Steering Committee to support an enterprise-wide approach to developing and overseeing our key ESG and sustainability strategies and policies and support alignment across the organization in addressing current and emerging trends, risks and opportunities. The Sustainability Steering Committee includes members of senior management and other senior leaders across the organization, and meets on a periodic basis to discuss the Company's key ESG strategies, policies and practices, including those relating to climate change. Members of the Sustainability Steering Committee provide periodic reports to the full board and its committees. The Sustainability Steering Committee oversees and is supported by members of the Sustainability Council, which consists of subject matter experts from across the Company responsible for leading working groups that manage various ESG and sustainability initiatives, policies and programs.

To focus on specific ESG- and sustainability-related initiatives, we have created working groups on an as-needed basis. In 2020, we formed the Climate and Footprint working group to address specific topics related to the Company's climate and environmental footprint.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

Strategy

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Sherwin-Williams Climate Strategy

Sherwin-Williams assesses risk factors that may materially and adversely affect our business, results of operations, cash flow, liquidity or financial condition. In line with the TCFD framework, Sherwin-Williams considers two primary types of climate risks: physical risks and transition risks. We define our time horizons in the following manner:

- **Short term:** 0 to 2 years
- **Medium term:** 2 to 5 years
- **Long term:** 5 to 10 years

The following risk and opportunity categories are considered in our climate-related assessments:

RISK ASSESSMENT OVERVIEW		
Risk Categories	**Major Characteristics/Examples**	**Time Horizon**
Physical Risk Exposure: Acute	Increased frequency of severe or extreme weather events (e.g., heatwaves, drought, floods, hurricanes, wildfire, winter storms and other natural disasters)	Short, medium and long term
Physical Risk Exposure: Chronic	Long-term shifts in physical conditions (e.g., increased average temperature, sea-level rise, melting glaciers)	Long term
Transition Risk Exposure: Policy Risk	Risk of policy action to encourage or require low-carbon transition, water restrictions and land use restrictions in direct operations or upstream supply chain (through carbon taxes, for example)	Short, medium and long term
Transition Risk Exposure: Market Risk	Increased costs for key suppliers to replace certain raw materials	Short, medium and long term
Transition Risk Exposure: Reputation Risk	Increased scrutiny from investors, lenders and insurers	Short, medium and long term
Transition Risk Exposure: Technology Risk	Possible early retirement (voluntary or forced) of existing products or technologies to mitigate climate impacts	Short, medium and long term
OPPORTUNITY ASSESSMENT OVERVIEW		
Opportunity Categories	**Major Characteristics/Examples**	**Time Horizon**
Downstream Impact on Products and Services	Protective coatings that help infrastructure withstand climate extremes and extend the life of physical assets; coatings that are used in solar and wind technologies; coatings that help reduce energy consumption, including reflective coatings; coatings that improve fuel economy; packaging coatings that reduce spoilage and wasted food	Short, medium and long term
Innovation	Sustainability by Design initiative resulting in an enhanced portfolio of "sustainably advantaged products"	Medium and long term
Consumer Sentiment	Increasing preference for products that have lower environmental impact, including carbon footprint	Short, medium and long term
Geographic and Operational Flexibility	Eliminate redundancies in manufacturing capabilities; highly efficient, integrated global supply chain; strategic location of stores; ability to set up mobile stores in disaster-prone and affected areas.	Short, medium and long term

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

Physical Risks

We leveraged the expertise of S&P Global's Trucost ESG Analytics (Trucost) to assess impacts to our facilities. Trucost analyzed the potential physical risks that may impact our operations, considering different scenarios of global warming by 2050. To evaluate the potential risks of climate change on our business, we considered three distinct climate scenarios that are commonly used in conjunction with the TCFD framework:

SCENARIO	REPRESENTATIVE CONCENTRATION PATHWAY (RCP)	DESCRIPTION
High Climate Change Scenario	RCP 8.5	Continuation of business as usual with emissions worldwide at current rates. This scenario is expected to result in warming in excess of 4°C by 2100.
Moderate Climate Change Scenario	RCP 6.5	Strong mitigation actions to reduce emissions worldwide to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2°C by 2100.
Low Climate Change Scenario	RCP 2.6	Aggressive mitigation actions to halve emissions worldwide by 2050. This scenario is likely to result in warming of less than 2°C by 2100.

Source: TCFD and Trucost

We evaluated these risks under all three scenarios. Our environmental footprint reduction goals were based on a global warming scenario of less than 2°C, in alignment with the use of science-based targets.

For additional climate-related risk information beyond what is included in this document, see the risk factor discussion related to adverse weather conditions and natural disasters in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (Form 10-K).

Our environmental footprint reduction goals for 2030, versus a 2019 baseline, are as follows:

1. **Reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% by 2030;**
2. **Increase electricity from renewable sources to 50% of total electricity usage by 2030;**
3. **Increase operational energy efficiency by 20% by 2030; and**
4. **Reduce waste disposal intensity by 25% by 2030.**

We believe we can use the experience gained from pursuing these 2030 targets to propel us toward more ambitious goals for 2050 and beyond.

As for physical risks, the third-party assessment of our more than 5,000 manufacturing, retail, laboratory, warehouse and blending facilities determined that, in the aggregate, we are generally at low risk for adverse impacts resulting from wildfire, coldwave, heatwave, flood, sea level rise and hurricanes.

The assessment identified water stress as a moderate to high physical risk at some of our locations. However, upon further analysis, many of the Sherwin-Williams sites in the highest water stress risk areas are distribution warehouses and offices, where water use is limited (employee-related uses). We believe only a modest number of our manufacturing sites are in water-stressed areas, and we are working with these sites to assist in mitigating and monitoring water stress risk effectively.

RISK TYPE: Acute Physical
TIME HORIZON: Short, medium and long term
DESCRIPTION: As noted in the introduction to this disclosure, Sherwin-Williams has a global presence and an integrated network of manufacturing, distribution and sales locations. As our Company grows and we continue expanding our geographic footprint, we may encounter more extremes in water availability and with local climates.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

Generally, the coatings industry is evolving from solvent-based formulations to water-based formulations. This evolution is being driven by customer preference and regulatory changes. However, it is also increasing the demand on local fresh water sources, which could escalate into water deficiencies or shortages in some areas. Although not always possible, we attempt to locate manufacturing in areas with ample water supply.

From time to time, adverse weather conditions and natural disasters have had or may have an adverse effect on our sales, manufacture and distribution of our products. In the event adverse weather conditions or a natural disaster causes considerable damage to any one or more of our principal manufacturing or distribution facilities, we may not be able to manufacture the products needed to meet customer demand, which could have an adverse effect on our sales. The impact of these risks to our suppliers also have had or may have an adverse effect on our sales, manufacture and distribution of certain of our products.

During 2021, Winter Storm Uri and Hurricane Ida caused severe damage to certain of our suppliers' facilities in Texas and Louisiana, respectively. These natural disasters and their impacts to certain of our suppliers resulted in unprecedented industry-wide supply chain disruptions, increased raw material and other costs, and significantly hindered our ability to manufacture the products needed to fully meet customer demand. We discussed these natural disasters and their adverse impacts to our business in our disclosures throughout the year.

In the event of adverse weather conditions and natural disasters, we focus on responding to and mitigating the impacts quickly, including, but not limited to, redistributing resources within our network (people, materials, etc.) and/or providing temporary solutions (opening mobile stores in impacted areas, for example).

RISK TYPE: Chronic Physical
TIME HORIZON: Long term
DESCRIPTION: Severe weather events have the potential to disrupt operations at manufacturing, distribution and sales locations within certain regions. Our Global Supply Chain (GSC) consists of a highly efficient manufacturing and distribution system for paint, coatings and related products. GSC is integrated in such a way that the risk created by a particular location being forced out of service may be mitigated, including by shifting production to other locations, if necessary. If climate risks continue to increase, there is the potential for further disruption to more of our locations simultaneously, and for more severe consequences from each disruption. We will continue to focus on these physical risks for strategic planning purposes, with an emphasis on water stress as a predominant long-term risk.

Transition Risks

RISK TYPE: Public Policy
TIME HORIZON: Short, medium and long term
DESCRIPTION: We look at both current and emerging regulations in the markets where we operate and evaluate the potential impact of proposed rules, and other regulatory frameworks, on our business.

Increased global focus on climate change may result in the imposition of new or additional regulations or requirements applicable to, and increased financial risks for, our business and industry. The outcome of new legislation or regulation in the U.S. and other jurisdictions in which we operate may result in new or additional requirements, including to fund energy efficiency activities or renewable energy use, and fees or restrictions on certain activities or materials. Compliance with these climate change initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, additional investments in renewable energy use and other initiatives, reduced emission allowances or additional restrictions on production or operations.

As environmental footprinting at the product level becomes increasingly important, the possibility of carbon limits for products may occur. We have already seen examples of this for other building materials in various regions around the world. Although our innovation and R&D efforts, combined with our life cycle assessment program, are expected to assist in mitigating the adverse impact of such potential carbon limits, certain product types or product lines could be affected, requiring substantial product reformulations.

Sherwin-Williams participates in various regional and industry trade associations such as the American Coatings Association (ACA); the European Council of the Paint, Printing Ink and Artists' Colours Industry (CEPE); the Retail Industry Leaders Association (RILA); the National Association of Manufacturers (NAM); and groups such as the U.S. Green Building Council. This active involvement demonstrates our commitment to collaborate and share ideas within the industry and other groups about the connection points between public policy and our focus on technical innovation. This engagement also informs the development of our strategies for addressing current and emerging trends, risks and opportunities and complying with applicable laws and regulations relating to the environment and climate change.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

RISK TYPE: Market
TIME HORIZON: Short, medium and long term
DESCRIPTION: We believe our primary climate-related market risks are the potential for increased costs and insufficient availability of the raw materials we need to produce our products.

As our Company grows and we continue expanding our geographic footprint, we may encounter more extremes in water availability. Generally, as the coatings industry is evolving from solvent-based formulations to water-based formulations, there may be an increasing demand on local fresh water sources. Going forward, we will continue to monitor this closely so that we can fine-tune our consideration of the various assumptions and factors that could impact our view of climate-related market risk.

In addition, our suppliers may have exposure to climate-related risks that may disrupt our ability to acquire raw materials or result in higher prices due to shortages. Furthermore, risks of shifting consumer behavior and preferences are relevant to our business. Where possible, we strive to find ways to respond to these risks, trends and our customers' needs and requests with respect to the premium products, quality and service that they have come to expect from us, including by taking the opportunity to expand our portfolio of "sustainably advantaged products," as further described below.

In a growing number of situations, sustainability is considered a market attribute for products both at the sales and formulator levels. As end users continue to become more climate-conscious, it is important for us to keep pace with those demands. Consumers also increasingly desire products with such sustainability or "green" attributes, which can be based on their ingredients, how they are formulated and how they are used. For example, the percentage of lower-VOC or no-VOC product alternatives in our portfolio has continued to grow in recent years.

RISK TYPE: Reputation
TIME HORIZON: Short, medium and long term
DESCRIPTION: We are mindful of our stakeholders' perceptions of us. We work hard to maintain our reputation as an industry leader and continue to be recognized for our efforts and progress on our sustainability and ESG initiatives. The heightened focus on climate change has created opportunities to review our sustainability and ESG strategies and practices. Failure to reduce the Company's emissions and environmental impact or to respond to changes in consumer behaviors and preferences may result in reduced demand for our products and services. We partner and collaborate with non-governmental organizations, customers, suppliers and regulators to foster open lines of communication and aid us in being responsive to stakeholder interests. However, we are aware that maintaining and building on our initiatives is an important short-, medium- and long-term responsibility because even small missteps have the potential to create reputation risk for our business.

RISK TYPE: Technology
TIME HORIZON: Medium and long term
DESCRIPTION: Evaluation of technology is incorporated into our business operations. When selecting equipment, energy efficiency is often considered as part of the selection process. In addition, sustainability attributes, including environmental footprint, have been built into certain of our research and development (R&D) processes across much of the business to consider potential climate impacts of new raw materials, formulation technologies and/or product performance.

To help further our focus on incorporating sustainability attributes into our approach to technology and product development, in 2021, we implemented our Sustainability by Design program across the enterprise. This program embeds life cycle thinking into early stages of these processes and better enables us to expand our portfolio of "sustainably advantaged products." We define "sustainably advantaged products" as those products that achieve a level of third-party green chemistry, ecolabel or similar recognition, or can be shown to be more sustainable than what is currently the norm for the industry.

This initiative is a signature effort in our five-stage Stage-Gate process to formally incorporate sustainability attributes within our innovation and product development processes. From initial concept through commercialization, we strive to identify ways to make our products more sustainable and better performing by evaluating chemical formulations, product performance, manufacturing processes, health and safety considerations and product packaging, among other areas. In 2021, we defined five "Sustainability Attributes" for product innovation and development – Air Quality, Formula Stewardship, Resource Conservation, Circularity and Performance.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

Opportunities

OPPORTUNITY TYPE: Downstream Impact on Products and Services
TIME HORIZON: Short term
DESCRIPTION: The risks and impacts of climate change, and global efforts to combat climate change, have the potential to create opportunities for our business. For example, extreme weather conditions can drive demand for our protective coatings, if assets are destroyed or need repair as a result.

Our coatings are used in a wide variety of asset preservation applications – extending the useful life of bridges, buildings, heavy equipment, appliances, vehicles and boats. Without our coatings, these assets may have a shorter life span and require earlier disposal and replacement with new assets that utilize additional energy and natural resources in their production. As an example, consider the cost of carbon for manufacturing and installing a steel structure such as a bridge. The structure's life expectancy would be severely limited if installed without corrosion protection or using inadequate coating technologies. Using our products extends the life of the bridge, reducing the need to replace it following unabated weathering, corrosion or neglect. Replacement of any structure prematurely may create an increased GHG burden on the Earth, its atmosphere and society. We believe our ability to provide products that are designed to withstand extreme weather events and extend product life span enables us to contribute to carbon and waste reduction in meaningful ways all around the world.

In addition, our coatings help enable assets such as solar panels, wind turbines and marine craft to continue to operate in an efficient manner. We also make reflective coatings that reduce energy consumption and packaging coatings that reduce spoilage and food or beverage waste.

OPPORTUNITY TYPE: Innovation
TIME HORIZON: Medium and long term
DESCRIPTION: Given the increasing interest in low-carbon products, several projects are underway to help reduce carbon in products we manufacture. In early 2019, Sherwin-Williams became the first company in our industry to publish an externally validated strategy for reducing the carbon footprints of several key products, and we have specifically committed to lowering the carbon footprint of 10 of our best-selling product lines. As such, carbon performance is a key attribute that is considered early in the R&D process.

In 2021, we formally introduced our Sustainability by Design initiative, committed to implementing it across the enterprise and determined our baseline of "sustainably advantaged products."

- **Sustainability by Design**: Through this initiative, we consider sustainability attributes in innovation and product development processes within our five-stage Stage-Gate process. From initial concept through commercialization, we identify ways to make our products more sustainable and better performing by evaluating chemical formulations, product performance, manufacturing processes, health and safety considerations and product packaging, among other areas. In 2021, we defined five "Sustainability Attributes" of focus for product innovation and development – Air Quality, Formula Stewardship, Resource Conservation, Circularity and Performance.
- **"Sustainably Advantaged Products"**: As we define it, the term "sustainably advantaged product" means a product that achieves a level of third-party green chemistry, ecolabel or similar recognition, or can be shown to be more sustainable than what is currently the norm for the industry.

We are pursuing growth opportunities by developing new products and services to further preserve existing assets and create products designed to facilitate energy savings. Innovations in coatings technology have led to coatings that require less energy to apply and cure, including:

- Coatings that once required high-temperature bake cycles in the past can now cure at room temperatures because of innovative technology. These coatings reduce energy requirements by eliminating the need for high-temperature bake cycles.
- The development of high-transfer-efficiency powder coatings not only reduces spray time and the energy associated with the spray application process, but also reduces product loss, which further reduces energy use and preserves natural resources.
- Heat- and sun-reflective roof coatings and infrared-reflecting concrete coatings reduce the urban heat island effect and can reduce cooling needs in warmer climates.
- Powder coatings and other types of coating systems that deliver high performance in just one layer rather than competing coatings that may require multiple layers, which requires more energy and material to achieve similar performance.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

OPPORTUNITY TYPE: Consumer Sentiment
TIME HORIZON: Short, medium and long term
DESCRIPTION: Many consumers and markets are demonstrating an increasing preference for products that have lower environmental impact, including a lower carbon footprint. We believe our position to meet those needs is strengthened by our sustainability initiatives and the transparency of our actions. In addition, we offer products that are specifically designed to better protect the surfaces they cover, which may result in reduced consumption. Through the preservation of their existing assets and our products designed to facilitate energy savings, customers increasingly recognize the beneficial attributes of Sherwin-Williams products.

We believe we have a good understanding of the footprints of our products because we have invested in industry-leading capabilities in life cycle assessment (LCA) and environmental product declarations (EPDs). Many of these LCAs have been peer-reviewed, published as EPDs and are publicly available. We have EPDs for hundreds of products.

To help us optimize our product footprint, we created our Sustainability by Design program and determined our baseline of "sustainably advantaged products." Sustainability by Design is a signature effort in our five-stage Stage-Gate process to formally incorporate sustainability attributes such as life cycle thinking within our innovation and product development processes. This program enables us to evolve our products and processes to deliver and grow our "sustainably advantaged products" offering.

Opportunity Type: Geographic Flexibility
Time Horizon: Short, medium and long term
Description: Our Global Supply Chain (GSC) consists of a highly efficient manufacturing and distribution network for paint, coatings and related products. GSC is integrated in such a way that the risk created by the potential loss of operations within a location or region is mitigated. Production can be shifted to other locations if necessary.

As for the geographic reach of our store locations, we have historically located our stores in promising markets that may have exposure to physical risks from climate change. We believe that our experience operating in these environments has made us a reliable and trusted neighbor in these communities that can be counted on to deliver product to expediently assist rebuilding and recovery efforts. Although severe weather events in these areas may adversely impact our own operations, cause disruptions and reduce the demand for our products, such circumstances can be an opportunity to serve the needs of our customers in these high-growth regions. In addition, our store location density and mobile platform have helped enable us to initiate sales quickly following certain natural disasters, even if stores in the region were negatively impacted by a severe weather event.

Risk Management

a. Describe the organization's processes for identifying and assessing climate-related risks

b. Describe the organization's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

How We Identify and Assess Climate-related Risks

While our management and their teams are responsible for assessing and managing the Company's business, day-to-day affairs and exposure to various risks, our Board of Directors has responsibility for the oversight of management and our various risks. Our board committees, with each composed entirely of independent directors, assist with this oversight responsibility by reviewing specific risk areas, including relating to the environment and the impacts of climate change and certain other ESG and sustainability risks, and making regular reports to the board.

Sherwin-Williams faces risks, uncertainties and other factors that could materially and adversely affect our business, results of operations, cash flow, liquidity or financial condition. These include such things as political instability, higher tariffs and adverse weather conditions, including wildfire, coldwave, heatwave, flood, sea level rise, hurricanes and other natural disasters. In addition, regulations related to climate change may negatively impact us or our suppliers in terms of availability and cost of raw materials, as well as sources and supply of energy. Since 2005, we have been voluntarily reporting to CDP.

For additional climate-related risk information beyond what is included in this document, see the climate-related risks discussion in our Form 10-K.

In 2021 and into early 2022, we retained the services of a third-party consultant to help us further assess the risks and opportunities associated with climate change and to help us prepare for this report and related disclosures. This was a

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

comprehensive, data-driven assessment that evaluated a wide range of physical and transition risks at the enterprise, business unit, product and individual location level. The initial results from that assessment were used to define the risks and opportunities contained in the Strategy section of this TCFD report.

How We Manage Climate-related Risks

Sherwin-Williams is actively working to mitigate climate-related risks, including through our Scope 1 and Scope 2 GHG emissions reduction goals. In 2021, we announced 2030 environmental footprint goals against a 2019 baseline.

The 2030 environmental footprint goals are as follows:

- **Reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% by 2030**
- **Increase electricity from renewable sources to 50% of total electricity usage by 2030**
- **Increase operational energy efficiency by 20% by 2030**
- **Reduce waste disposal intensity by 25% by 2030**

We have a robust life cycle assessment (LCA) program, with many of our LCAs peer-reviewed and published as Environmental Product Declarations (EPDs) and publicly available. We have EPDs for hundreds of products. The data from our LCAs and EPDs show that the raw materials in our coating products account for a majority of our total carbon footprint from “cradle to grave” and that raw materials are the largest driver of our Scope 3 emissions.

Other efforts to manage and mitigate our climate-related risks include our Scope 1 and Scope 2 GHG emissions reduction goals and our Sustainability by Design initiative.

We are also actively working with several key suppliers and customers on carbon footprint reduction initiatives. On an ongoing basis, we bring in key suppliers for sustainability discussions with senior leaders in the Company. These meetings often include presentations on topics or technical solutions specific to product carbon footprints. This has been taking place since 2018 and provides the opportunity to discuss with leadership the technical possibilities from key suppliers. It is also an opportunity for us to share our related sustainability expectations and goals. When we are addressing customer needs, sustainability is a potentially important market attribute for products both at the sales and formulator levels. As a result, customers increasingly regard Sherwin-Williams products as logical choices to help protect and preserve existing assets.

How We Integrate Climate-related Risks into the Organization’s Overall Risk Management

Our Board of Directors is responsible for overseeing the assessment and management of the Company’s exposure to various risks. We have an ERM process to identify, assess and manage the most significant risks facing us, including financial, operational, litigation, compliance, reputational and ESG risks. Management reviews significant risks with the board throughout the year, as necessary and appropriate, and conducts a formal review of the most significant risks with the board at least once per year.

Our board committees assist the board with this oversight responsibility by reviewing specific risk areas. The Audit Committee’s support of the board includes overseeing the Company’s ERM process and compliance with legal and regulatory requirements, including those relating to environmental and climate-related risks.

Management periodically reviews our efforts and progress in these areas with the Committees, as well as the full board. Management is responsible for identifying, assessing and managing the Company’s exposure to various risks through the Company’s ERM process. As part of this process, we prioritize the most significant risks and assign them to senior leaders based on their respective roles within the Company to assist with the ongoing management and monitoring of those risks. Our Senior Vice President – Finance and Chief Financial Officer provides centralized oversight of the Sherwin-Williams ERM program.

In 2019, we formed a Sustainability Steering Committee to support an enterprise-wide approach to developing and overseeing our key ESG and sustainability strategies and policies and support alignment across the organization in addressing current and emerging trends, risks and opportunities. The Sustainability Steering Committee includes members of senior management and other senior leaders across the organization and meets on a periodic basis to discuss the Company’s key ESG strategies, policies and practices, including those relating to climate change. Members of the Sustainability Steering Committee provide periodic reports to the full board and its committees. The Sustainability Steering Committee oversees and is supported by members of the Sustainability Council, which consists of subject matter experts from across the Company responsible for leading working groups that manage various ESG and sustainability initiatives, policies and programs.

To focus on specific ESG- and sustainability-related initiatives, we have created working groups on an as-needed basis. In 2020, we formed the Climate and Footprint working group to address specific topics related to the Company’s climate and environmental footprint.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2021 Report, continued

Metrics and Targets

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Metrics

We assess climate-related risks and opportunities using the following metrics:

- Scope 1 (Direct CO_2) Emissions (metric tons CO_2e)
- Scope 2 (Indirect CO_2) Emissions (metric tons CO_2e)
- Scope 3 Emissions (metric tons CO_2e)
- Total Energy Performance (Intensity) (gigajoules per metric ton of production)
- Total Energy Consumption (million gigajoules)

2021 Scope 1, 2 and 3 GHG Emissions

- Scope 1 (Direct CO2) Emissions: 354,397 metric tons CO2e
- Scope 2 (Indirect CO2) Emissions: 266,869 metric tons CO2e
- Scope 3 Emissions: To be disclosed in our 2021 CDP report later this year

For insight on our analysis of climate-related risks, see the Strategy section of this TCFD report.

Targets

In 2021, we aligned our climate strategy to reflect a science-based targets approach influenced by the Paris Agreement and its goal to limit global warming to well below 2.0 degrees Celsius. Our 2030 goal of reducing our absolute Scope 1 and Scope 2 emissions by 30% compared with a 2019 baseline is predicated on this objective. We determined that tracking and weighing our absolute Scope 1 and Scope 2 emissions, rather than setting an intensity-based goal, aligned best with the global need for mitigating the physical amount of GHG emitted into the atmosphere over time.

To review our current emissions data, see the Environmental Footprint section in our 2021 Sustainability Report and our 2021 Investor ESG Summary.

The Sherwin-Williams Company – 2021 Investor ESG Summary

TOPIC	METRIC	2019	2020	2021
Sustainability Reporting				
	2021 Sustainability Report	**2021 Sustainability Report**		
	2021 SASB Index	**2021 SASB Index**		
	2021 TCFD Report	**2021 TCFD Report**		
	GRI Index	**GRI Index**		
General				
Company	Total Employees	61,111	61,031	61,626
	Total Employees (Full-Time Equivalent)	54,759	54,727	51,116
	Net Sales (Millions)	$17,900.8	$18,361.7	$19,944.6
	Total Shareholder Return	See page 73 for Shareholder Returns		
	Number of Sites (includes manufacturing/distribution sites and global stores, branches and blending facilities)	5,376	5,288	5,271
Environmental				
General Environmental	ISO 14001 Certified Sites[1] – # (%)	43 (33%)	44 (36%)	43 (36%)
	Environmental Management Policy	Global Environmental, Health and Safety Policy		
Emissions and Climate Change	Scope 1 (Direct CO_2) GHG Emissions (metric tons CO_2e)	370,711	351,109	354,397
	Scope 2 (Indirect CO_2) GHG Emissions (metric tons CO_2e)	305,402	283,738	266,869
	Total CO_2 Emissions (metric tons CO_2e)	676,113	634,847	621,266
	Scope 3 Emissions from Business Travel (metric tons CO_2e)	17,479	5,222	6,197
	Emissions Reduction Goal	N/A, the Company has transitioned to an absolute emissions reduction goal as opposed to an intensity-based goal	Reduce Absolute Scope 1 and 2 by 30% by 2030 (2019 baseline)	Reduce Absolute Scope 1 and 2 by 30% by 2030 (2019 baseline)
	Science-Based Target	No	Yes	Yes
	VOC Emissions (tons)	1,635	1,681	1,879
	SOx Emissions (tons)	221	205	212
	NOx Emissions (tons)	3,657	3,404	3,515
	Climate Change Strategy	Yes	Yes	Yes
	CDP Climate Change Disclosure	CDP Climate Change Response		
	CDP Climate Change Score	D	C	B-

[1] This only applies to manufacturing and distribution facilities.

The Sherwin-Williams Company – 2021 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021
Energy	Total Direct Energy Consumption (Scope 1) (Million Gigajoules)	5.27	5.14	5.06
	Total Indirect Energy Consumption (Scope 2) (Million Gigajoules)	2.60	2.64	2.67
	Total Energy Consumption (Million Gigajoules)	7.87	7.78	7.73
	Total Direct Energy Intensity (Scope 1) (Gigajoules/metric tons produced)	1.37	1.34	1.34
	Total Indirect Energy Intensity (Scope 2) (Gigajoules/metric tons produced)	0.68	0,69	0.71
	Total Energy Intensity (Gigajoules/metric tons produced)	2.05	2.03	2.04
Renewable Energy	Renewable Energy (Million Gigajoules)*	0.00	0.01	0.00
	Renewable Energy Percent of Total (%)	0.03%	0.07%	0.06%
	Renewable Energy Goal	N/A	N/A	50% by 2030
Water	Water Withdrawn (m^3)	3,451,670	3,785,002	3,785,000
	Water Consumption in Production Facilities (m^3)	1,474,380	1,686,920	1,686,920
	Water Intensity (m^3/metric ton production)	0.89	0.99	0.99
	Water Consumed in Production Facilities and Sourced from Regions with High or Extremely High Baseline Water Stress	21.48%	19.50%	20.98%
	CDP Water Disclosure		CDP Water Response	
	CDP Water Score	C	C	C
Waste	Wastewater Discharge (m^3)	1,977,290	2,098,090	Not yet available
	Waste Reduction Goal	N/A	N/A	25% by 2030
	Waste Reduction Strategy		2021 Sustainability Report	
Social				
Workforce	Women in Workforce	24.6%	24.5%	24.5%
	Women in Management	26.3%	26.5%	26.4%
	Women in Management Goal	N/A	N/A	Increase women in management roles to 30% by 2025
	Minorities in Workforce (U.S. Only)	33.3%	34.2%	35.2%
	Minorities in Management (U.S. Only)	25.9%	26.6%	27.7%
	Minorities in Management (U.S. Only) Goal	N/A	N/A	Increase minorities in U.S. management roles to 30% by 2025
	Workforce Age Group 70+	0.8%	0.9%	0.9%
	Workforce Age Group 60-69	6.0%	6.4%	6.6%
	Workforce Age Group 50-59	15.2%	15.5%	15.7%
	Workforce Age Group 40-49	19.4%	19.6%	20.1%
	Workforce Age Group 30-39	25.8%	26.4%	26.6%
	Workforce Age Group 20-29	30.8%	30.0%	28.8%
	Workforce Age Group Under 20	2.0%	1.23%	1.3%
	Voluntary-Regrettable Turnover (for Full-Time only)	9.5%	8.0%	12.3%
	The Sherwin-Williams Company 401(k) Plan Common Stock Ownership	9.2%	8.2%	7.9%

*Renewable Energy includes onsite generation and procured renewable energy credits.

The Sherwin-Williams Company – 2021 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021
Inclusion, Diversity & Equity	Equal Opportunity Policy	Equal Employment Opportunity Policy		
	2021 Engagement Survey: We collaborated with a third party to conduct our global engagement survey. Our goal was to leverage the voice of our employees and quantify our progress toward creating an inclusive culture that empowers everyone to learn, grow and achieve their career aspirations. We earned a favorable engagement score of 77%, which serves as an affirmation of our existing efforts. The 2021 survey, established a baseline for our overall engagement score as well as associated metrics. We are committed to using the results to drive continued progress. Going forward, we will continue our regular cadence of pulse surveys and plan to conduct the global engagement survey every two years. The following results from our 2021 all-employee engagement survey reflect our efforts in fostering an inclusive, supportive culture. • "Managers treat our employees with dignity and respect." – 90% favorable response • "Sherwin's a safe place to work." – 85% favorable response • "I can be myself at Sherwin-Williams." – 80% favorable response • "I'd recommend Sherwin-Williams as a place to work." – 80% favorable response			
	Conscious Inclusion Education & Training equips employees with inclusive leadership behaviors and resources to improve performance, drive business growth and enhance customer experience. The sessions and resources are designed to help leaders become mindful of unconscious perspectives and provide them with practical actions they can take to create and lead more inclusive cultures.			
Occupational Health and Safety	Days Away Restricted or Transferred (DART) Rate (Total incidents per 200,000 hours worked)	1.03	0.97	0.58
	Recordable Case Rate (Total number of employees with recordable incidents per 200,000 hours worked)	1.30	1.06	0.81
	Health and Safety Policy	Global Environmental, Health and Safety Policy		
Human Rights	Human Rights Policy	Code of Conduct Human Trafficking Policy		
	Conflict Minerals Policy	Conflict Minerals Policy		
Community Engagement	Total Corporate Foundation and Other Giving	$7,221,883	$7,527,741	$6,425,865
	Community Engagement	Engagement		
Products				
Quality and Safety	Research and Development Costs (Millions)	$103,100.0	$97,100.0	$115,900.0
Sustainability by Design	With the implementation of our Sustainability by Design program, we consider sustainable attributes in product innovation and development processes. From initial concept through commercialization, we identify ways to make our products more sustainable and better performing by evaluating chemical formulations, product performance, manufacturing processes, health and safety considerations, and product packaging, among other areas. This formal process also provides flexibility to evolve with the needs of each of our businesses. Highlights from 2021 include: • Expanded Sustainability by Design across the enterprise, enhancing our capability to innovate based on sustainability attributes on a large scale • Established a baseline for "sustainably advantaged products" and developed a plan for expanding this product portfolio in the future • Advanced our position to start managing our Scope 3 emissions by enhancing the technicality and organization of our processes • Integrated our Sustainability by Design philosophy into our existing Stage-Gate process • Defined five "Sustainability Attributes" of focus for product innovation, development and categorization – Air Quality, Formula Stewardship, Resource Conservation, Circularity and Performance • Launched internal sustainability training, with a focus on how to think about sustainability to determine the attributes most important to each business and/or product line For more on our Sustainability by Design program, see our 2021 Sustainability Report beginning on page 30.			
Product Sustainability	Sustainable Programs and VOC Regulated Areas Reference Guide			

The Sherwin-Williams Company – 2021 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021
Supply Chain				
Supply Chain	Supplier Guidelines/Code of Conduct		Supplier Code of Conduct	
Governance				
Ethics	Business Ethics Policy		Code of Conduct	
Board of Directors	Size of the Board	11	10	11
	Independent Directors on Board – # (%)	10 (91%)	9 (90%)	10 (91%)
	Independent Lead Director	Yes	Yes	Yes
	Gender Diversity – # (%)	3 (27%)	3 (30%)	3 (27%)
	Racial/Ethnic Diversity – # (%)	2 (20%)	2 (20%)	4 (36%)
	Board Average Age	63.1	62.2	62.1
	Board Average Tenure	7	7.2	6.2
	Mandatory Retirement Age	72	72	72
	Board Meetings Held	6	7	6
	All Directors Attended ≥ 75% of Meetings	Yes	Yes	Yes
	Independent Members on the Audit Committee – # (%)	5 (100%)	4 (100%)	6 (100%)
	Audit Committee Meetings	6	8	5
	Independent Members on the Compensation & Management Development Committee – # (%)	5 (100%)	5 (100%)	4 (100%)
	Compensation & Management Development Committee Meetings	5	4	4
	Independent Members on the Nominating & Corporate Governance Committee – # (%)	4 (100%)	4 (100%)	4 (100%)
	Nominating & Corporate Governance Committee Meetings	4	2	4
	Annual Board and Committee Self-Assessments	Yes	Yes	Yes
	Orientation Program for New Directors	Yes	Yes	Yes
Shareholder Practices[2]	Equal Voting Rights (One Vote per Share)	Yes	Yes	Yes
	Annual Say on Pay Voting Support	96.9%	96.0%	93.5%
	Shares Outstanding as of December 31	276,434,517	268,676,631	261,143,805
	Equity Reserved as % of Shares Outstanding	9.0%	7.8%	7.3%
	Options Granted as % of Shares Outstanding	0.54%	0.51%	0.37%
	Fair Price Provision	Yes	Yes	Yes
	Mandatory Bid Provision	No	No	No
	Majority Voting Standard	Yes	Yes	Yes
	Classified Board	No	No	No
	Proxy Access[3]	Yes	Yes	Yes
	Shareholder Rights Plan	No	No	No
Public Policy and Political Engagement	Political Action Committee	No	No	No
	Public Policy and Political Engagement Statement		Code of Conduct	

[2] Historical share and per share information has been retroactively adjusted to reflect the Company's three-for-one stock split effected March 31, 2021.

[3] The Company's Regulations provide proxy access rights to 3 year, 3% shareholders for up to 20% of the board.

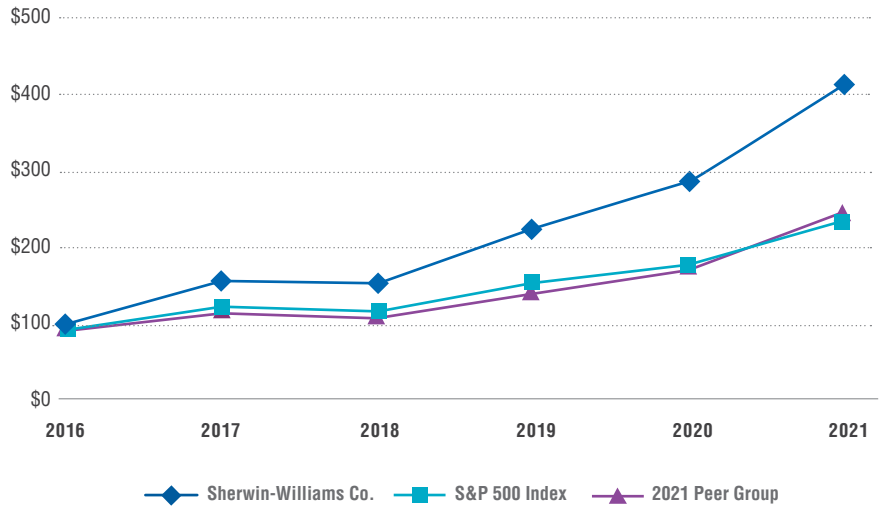
The Sherwin-Williams Company – 2021 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021
Governance – continued				
Compensation	Total Compensation Paid to Named Executives	$30,706,224	$31,713,250	$33,937,998
	Total Salaries Paid to Named Executives	$4,016,760	$4,109,263	$4,652,263
	All Other Compensation Paid to Named Executives	$26,460,664	$27,603,987	$29,285,735
	Total Compensation Paid to CEO	$14,854,731	$15,323,284	$15,843,760
	Total Salary and Bonus Paid to CEO	$1,333,000	$1,339,000	$1,368,231
	All Other Compensation Paid to CEO	$13,521,731	$13,984,284	$14,475,529
	Executive Compensation Policies and Practices	Compensation Discussion and Analysis (CD&A) – Page 28		
	Significant Stock Ownership Guidelines[4]	Yes	Yes	Yes
	Double-Trigger Equity Vesting Upon CIC	Yes	Yes	Yes
	Anti-Hedging and Anti-Pledging Policy	Yes	Yes	Yes
	Clawback Provision for Executive Compensation	Yes	Yes	Yes
Governance	Total Executives	11	11	11 as of 12/31/2021
	Female Executives – # (%)	2 (18%)	2 (18%)	3 (27%)
	Sustainability Disclosures Independently Verified/Assured	No	No	No
	UN Global Compact Signatory	No	No	No
	CSR/Sustainability Committee Oversight	Yes	Yes	Yes
	External Auditor	Ernst & Young LLP	Ernst & Young LLP	Ernst & Young LLP
	Audit & Audit-Related Fees Paid to Auditor	$7,280,000	$6,276,000	$6,171,000
	Non-Audit Fees Paid to Auditor	$2,286,000	$949,000	$1,023,000
	Total Auditor Fees	$9,566,000	$7,225,000	$7,194,000

[4] Each independent director is required to own shares of common stock equal in value to a minimum of 7x the annual board cash retainer and hold all shares of common stock received upon the vesting of restricted stock units until the minimum share ownership requirement is met. Each executive is required to own shares of common stock equal in value to a multiple of his/her base salary, with 6x for the CEO, 4x for the COO and 3x for other executives.

Shareholder Returns

Comparison of Cumulative Five-Year Total Return

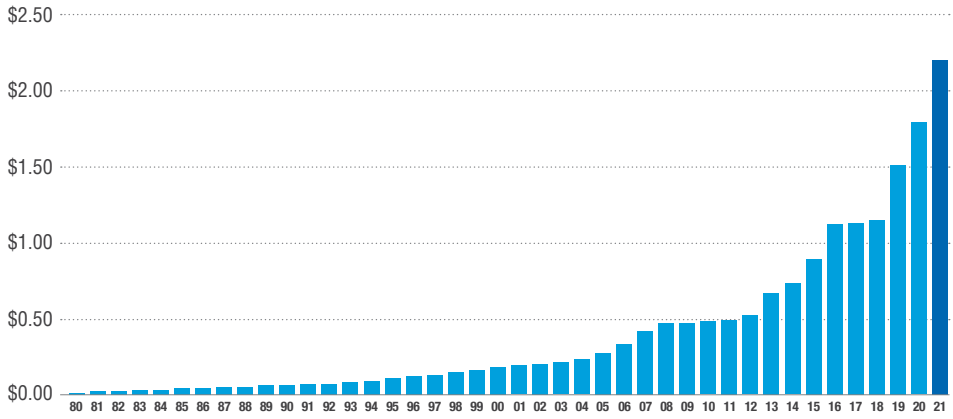


Five-Year Return

The stock performance graph at left assumes $100 was invested on December 31, 2016 in Sherwin-Williams common stock, the S&P 500 and the peer group of companies selected on a line-of-business basis. The cumulative five-year total return, including reinvestment of dividends, represents the cumulative value through December 31, 2021.

2021 peer group of companies is comprised of the following: Akzo Nobel N.V., Axalta Coating Systems Ltd., BASF SE, Genuine Parts Company, H.B. Fuller Company, Lowe's Companies, Inc., Masco Corporation, Newell Brands Inc., PPG Industries, Inc., RPM International Inc., Stanley Black & Decker, Inc. and The Home Depot, Inc.

Dividends Per Share

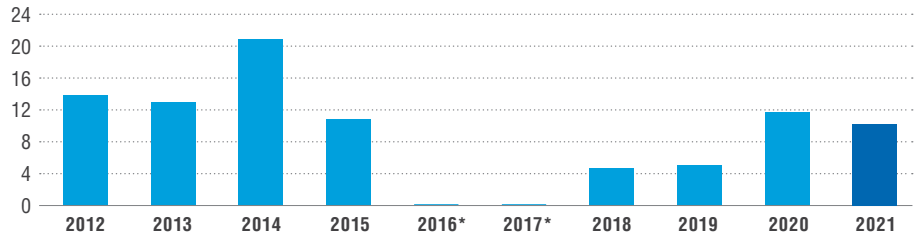


Returning Cash to Shareholders

We have consistently returned a portion of our cash generated from operations to shareholders through cash dividends and share repurchases. In 2021, the Company increased its cash dividend 22.9% to $2.20 per share, marking the 43rd consecutive year we increased our dividend.

Share repurchases are also an efficient way of returning cash to shareholders in that they return sellers' investment at market value and maximize the value of the remaining shares outstanding. In 2021, we invested $2.8 billion to buy 10.1 million shares on the open market. We temporarily suspended share repurchases in 2016 and 2017, using cash to reduce total borrowings required to finance the Valspar transaction in 2016 and reducing debt by $1 billion in 2017.

Stock Repurchase *(millions of shares)*



* No open market purchases in 2016 and 2017

311.8	309.1	296.2	283.6	283.5	284.8	285.0	280.3	275.8	267.1

Weighted Average Diluted Shares (split adjusted, in millions)

SHERWIN-WILLIAMS®

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"2021 marked a significant milestone as we announced an integrated framework for our sustainability strategy built around our three ESG pillars – Environmental Footprint, Product Blueprint and Social Imprint – and centered on a strong foundation of Governance and Ethics. Within these pillars, we unveiled new goals to guide our efforts to address climate change, expand our portfolio of 'sustainably advantaged products,' and make our Company a safe, more inclusive place to work."

John G. Morikis
Chairman and Chief Executive Officer